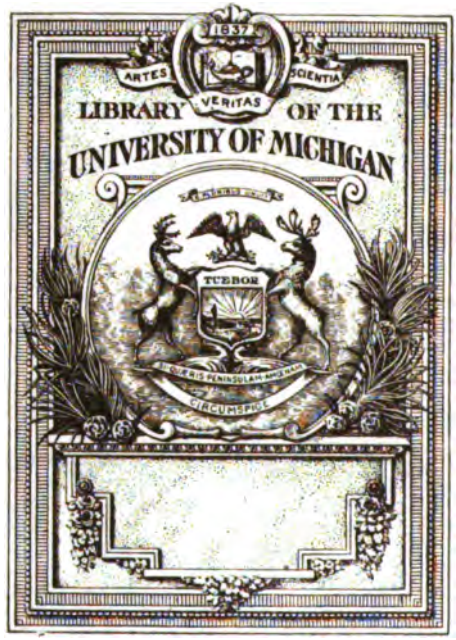
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THE SHAW BANKING SERIES

ADVERTISING
AND SERVICE

THE SERIES: ADVERTISING AND SERVICE; ACCOUNTING AND COSTS; LOANS AND DISCOUNTS; EXECUTIVE CONTROL; BUILDINGS, EQUIPMENT AND SUPPLIES; CREDITS AND COLLECTIONS.

Children depositors of a Wisconsin bank wanted to see the money counted, so a special window and a step were arranged for their benefit. This service gained a great deal of favorable attention and a large number of children's accounts as well.

ADVERTISING AND SERVICE

BANK ADVERTISING THAT REALLY MAKES GOOD—
PROFITABLE DIRECT ADVERTISING—GOING
AFTER ALL THE BUSINESS—THE SORT OF
SERVICE THAT HOLDS BUSINESS

A. W. SHAW COMPANY
CHICAGO NEW YORK
LONDON

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THE SERIES AND ITS SOURCES

DIVIDENDS are the final test of good banking. Whatever plans and methods have found place in this volume and the companion volumes of the Shaw Banking Series have passed this test.

For this series the 16 years of SYSTEM's work have been drawn upon—supplemented by field investigations the country over. This period has, perhaps, witnessed more great banking changes than any previous one. It has developed not only remarkable improvements in equipment but also in management.

A better method is no less an invention and often no less significant than the conception of an appliance. And, like an ingenious machine, a better method usually fits many different lines of banking. The most valuable of the amazing improvements in management and operation during this period the Shaw Banking Series has now collected from many hundreds of institutions and puts at the disposal of all bank executives.

It wasn't so many years ago, if you will think back, that the popular conception, as well as that of most bankers, of what a bank really is and how a bank should conduct its business was immeasurably different from that of today. About the only advertising banks felt it wise to do was to insert in small space their statements as required by law, with, perhaps, a few of the more progressive institutions furnishing physicians with prescription blanks carrying the bank's name and a statement of resources, or some other similar publicity.

Service—the sort of banking service that we know today—was practically unknown. And because the accommodations and possibilities of a bank were unknown to so many, much valuable business was left undeveloped. Since bankers have adopted the policy of publicity many previously undeveloped prospects have become profitable customers. One of America's foremost bankers made a great name for himself and instituted a new regime for his bank, when,

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PART I

ADVERTISING THAT REALLY MAKES GOOD

pitchforked without instructions into this great bank's activities, he decided that what most banks lacked was a definite plan for giving service to its depositors, and so went ahead and built such a plan for his bank.

Service is the point of human contact between the bank and its depositors and prospects. Advertising—bank advertising—after all must sell the bank's service to those depositors and prospects or it falls short of its mark. And so this volume might truthfully have been entitled "The Human Side of Banking" for it presents the tested ideas, plans, and methods that hundreds of banks all over the country use in handling this human side of their business.

Now perhaps some of these plans and methods won't appeal to you. Some of them may be too "small town" or some too "big city" for ready adaptation to your particular needs. But out of the great mass of valuable, service-rendering data which makes up this volume, every banker—large or small—readily can sift until just the right business builders are found.

Completely to list the plans, the executives, and the specialists who have contributed to this work is impossible. Much of the help has been confidential. Information frequently has been rounded out by reference to scores of sources. Most of the chapters are the work of many men.

Because of the composite nature of the work the chapters have not been signed. To establish their authenticity, however, references to the more important contributors, authorities, and concerns have been massed on the opening pages of each division of each volume. Those in immediate charge of the field studies and the entire production, which was directed by Joseph M. Regan, are Robert W. Pearson, Richard T. Huntington, and J. Stanley Baley, all of the Editorial Staff of the A. W. Shaw Company.

PART I

ADVERTISING THAT REALLY MAKES GOOD

AUTHORITIES AND SOURCES FOR PART ONE

Chapter I. Peoples National Bank, Rushville, Indiana; Citizens State Bank, Anderson, Indiana; National City Bank, Chicago; Mississippi Valley Trust Company, St. Louis, Missouri; Puritan Trust Company, Boston, Massachusetts; National Bank of Elyria, Elyria, Ohio; First National Bank, Galion, Ohio.

Chapter II. Ohio Savings Bank and Trust Company, Toledo, Ohio; American Trust Company, St. Louis, Missouri. First National Bank, Cleveland, Ohio; First National Bank; Joliet, Illinois; Central Manufacturing District Bank, Chicago,

Chapter III. Guaranty Trust Company, New York City; Edgewater State Bank, Chicago; Bank of Burlington, Burlington, Wisconsin; Bank of Evansville, Evansville, Wisconsin; First National Bank, Clarksville, Tennessee.

Chapter IV. Huston Banking Company, Blandinville, Indiana; Highland Park State Bank, Detroit, Michigan; St. Louis Union Trust Company, St. Louis, Missouri; First and Old Detroit National Bank, Detroit, Michigan; Spokane and Eastern Trust Company, Spokane, Washington; City National Bank of Evanston, Evanston, Illinois; National Bank of the Republic, Chicago; Bank of Buffalo, Buffalo, New York; Market Bank, Buffalo, New York; Chicago Savings Bank and Trust Company, Chicago.

Chapter V. Citizens State Bank, Big Rapids, Michigan; Fletcher Savings Bank and Trust Company, Indianapolis, Indiana; Second National Bank, Toledo, Ohio; Security Trust Company, Los Angeles, California; Peoples Trust and Savings Bank, Chicago; Ohio Savings Bank and Trust Company, Toledo, Ohio; Guardian Trust and Savings Bank, Toledo, Ohio; Citizens State Bank, Anderson, Indiana.

CHAPTER I

ANALYZING THE FIELD

WITHIN two years after making a well planned analysis of his field, based upon a personal investigation, a small Indiana banker in a county of 25,000 people, with 10 banks fighting for business, increased his deposits 42%. This gave him control of one third of the county's total banking resources of $1,250,000.

At the time of the investigations made by the Bureau of Business Standards of the A. W. Shaw Company during the preparation of this volume, seven of these small banks were barely paying dividends. Of the remaining two, one had passed dividends for three years while the other had made a fairly profitable showing.

The analysis, which is fully described on pages 3 to 8, helped the president of the bank just mentioned, the largest of the 10, to outline a definite advertising campaign and to develop service that won quick and profitable recognition. His carefully laid out study of the community's needs and interests enabled him to direct his appeals for new business more satisfactorily. He learned, also, the type of service most likely to bring customers to his bank.

This man, like many other successful bankers, found that service means knowing what the customer wants, why and when he wants it, and then putting into action a willingness to comply with those wishes, sometimes even to the point of anticipating them. He learned that the basic test of banking service is keeping the customer happy and satisfied.

Service, he realized once the analysis was completed, is the backbone of any bank's winning advertising campaign. A simple survey of the territory brought out facts previously unknown and threw the spotlight on others which, although known to him, had previously received but scant attention. It was now easy for him, therefore, to determine definitely just what business to expect. By prompting the banker to dig deeper into his affairs, the analysis gave him the benefit of new angles and sidelights on his organization and thereby pointed the way to effective systematic effort in creating new business.

Facing every banker who would increase his deposits is the need summarized in this man's experience: the necessity of getting intimately acquainted with his community. It is essential to know the number of residents, their various occupations and approximate incomes, the competition, and the general financial opportunities.

Between the minor dealings of the humble savings depositors and the large transactions of the corporations or leading individuals lies the majority of the banking business in more than 70% of the country's banks. This is the business from which the bulk of the profits comes. And it is this business that justifies the most careful analysis as a foundation on which to build an organized plan or campaign.

With his campaign definitely outlined the banker finds it easier to distribute his appropriation economically, to select effective mediums and to prepare attractive copy. He can apply productive plans for direct advertising and frame his personal appeals with logic and force. Simple and effective methods of attracting women and children, the student, and the foreigner; of promoting thrift clubs; of reaching into the rural districts for business; of securing trust accounts; of selling bonds; and of renting safety deposit

space; also equally simple and effective methods for preventing the loss of accounts—all these methods, and others, can be worked out successfully once the proper foundation—an analysis of the field—is made ready in the way illustrated by many specific instances in the pages to follow.

Turn now to the first detailed problem involved in this work—the problem of how to analyze the territory preparatory to laying out the advertising campaign. The nation-wide investigation made by the Bureau of Business Standards in connection with the compilation of this volume indicates that in almost every locality this particular problem should be attacked from a different angle. The bank in the large city has its problems, and they are nine times out of ten different from those faced by the country or suburban bank. Still in every bank there are certain elements which can be capitalized in the course of the campaign.

ON WHAT CLASSES SHOULD THE BANK CENTER ITS DIRECT APPEAL FOR NEW BUSINESS?

There are, for example, the casual depositors who will respond readily when properly solicited: young business men eager to secure the bank's recognition and enjoy its commercial advantages, many wage earners who have never had a savings account, the salaried workers who often keep their money in their pockets, the farmers on the rural routes who can be attracted through the mails, and the army of potential savers, young and old.

In every bank, to a greater or less degree, all of these classes offer attractive opportunities for getting business. The temptation is to try to get all the business controlled by all of them at once, but this is usually incorrect and unprofitable. The problem, then, is to select the one plan offering the most attractive specific possibilities and make it the basis of a

carefully worked out campaign. By classifying the various elements involved in logical order, it becomes easier to frame the appeals that win.

Here's an example: the experience of the Indiana banker mentioned at the beginning of this chapter. Following out an organized campaign is what increased by 42% his bank's deposits. His tested plan will serve to indicate exactly how almost any country bank can profitably use a simple survey as a foundation for its campaign.

This man, like hundreds of other small bankers, knew in a rough way what business existed and what might be cultivated. This knowledge, however, was based solely on general observation. He had never attempted a classification of customers and prospects.

After setting aside $1,500 on January 1 as his annual advertising appropriation, he one year decided to learn more about the competition he faced. With an assistant, he made an automobile tour on a 12-mile circle about the town, met the farmers and their families, listed their names, estimated as exactly as possible their real estate and personal belongings, and inquired about their banking connections. This work revealed the banking habits of these prospects and also the approximate size of the individual deposits and loans.

Next he analyzed the population. By going over the directory and the school registration lists, he found that his town had a population of about 4,600 people, or about 1,150 families. Then an examination of the post office records showed 4,800 people—or 1,200 families—in the nearby tributary territory. Thus, his immediate field contained 10,000 people.

A general list of the city and country residents was then prepared from these records and later checked to determine how many people were already customers. This list was subdivided into another list of "actives" and "prospects" and classified as to those who (1)

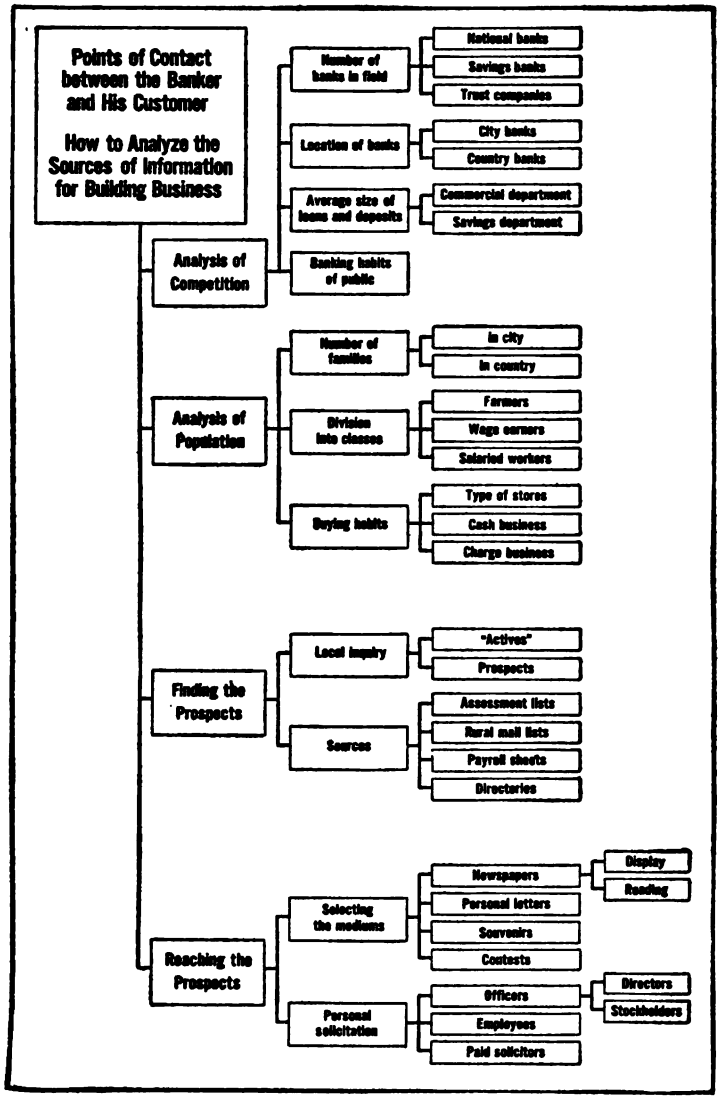


Figure 1: With an analysis of his field such as indicated here, one banker laid a foundation for a definite advertising program. It enabled him to concentrate his appeals and within two years deposits increased more than 42%.

were assessed $1,000 to $5,000 on real estate or personal holdings; those who (2) were assessed $5,000 to $10,000 on real estate or personal holdings, and those who (3) were assessed above $10,000.

The next step was a visit to the factories and stores to ascertain the number of salaried workers and wage earners in the locality. These workers were classified according to their approximate incomes and identifying signals were placed against the names of those who had no banking connections. Seasonal influences that affected the farmers—like the brisk periods at the creamery or the canning plant—were also noted.

AFTER THIS ANALYSIS WAS MADE THIS BANKER WAS ABLE TO DIRECT APPEALS EFFECTIVELY

"I knew all this in a general way," said this banker, "but I was surprised at the new facts disclosed by the investigation. It took less than 60 days to gather the information and it cost about $300. The preparation of the mailing lists was probably the hardest task. When they were completed I knew how and where to reach for new business."

This analysis really showed the bank how to direct its appeal with force and discrimination, as Figure 1 graphically indicates. The wage earner, for instance, is usually desirable for the savings department, but may be of little value to the safety deposit department. Salaried workers and men with attractive incomes may be more quickly interested in certificates of deposit. Farmers may often be induced to take advantage of the safety deposit department. Each class can be shown individual benefits to be secured through the bank's general services.

One of the most significant and interesting facts disclosed by the investigation was that fully one half of the people in the community were not familiar with the general services offered by the bank. It was

decided, therefore, to begin a campaign of education, and methods like those described in Chapters VIII, IX and X were employed with decidedly satisfactory results.

Upon the careful preparation of the advertising copy and the selection of mediums—naturally depended to a large extent the success or failure of this Indiana campaign. The banker could not afford to hire an advertising writer, so he managed without much trouble to get the name of his bank on the mailing lists of more than 50 large banks which specialized on the preparation of financial advertising literature. When this literature was received, it was carefully examined and any attractive ideas were classified according to departments and then filed away in a large drawer of the banker's desk which had been given over to this use.

HOW ONE BANKER ADAPTED FROM OTHER MEN'S IDEAS WHEN PREPARING ADVERTISING COPY

When he wanted to write a letter to his commercial list, for instance, this Indiana banker usually found valuable suggestions in his large file of letters that had been sent out by the 50 odd larger banks. Or when it came to preparing a statement of condition for distribution, he could quickly refer to many different styles and embody in his own the best features of several of them.

The newspapers were used principally to advertise the general service of the bank and secured about 40% of the expenditure. This copy, prepared at different seasons of the year in a series of eight to twelve units, in much the same manner as shown in Chapter IV, was run consecutively and in preferred positions.

When it came to appealing to the more limited classes with the bank's special services many forms of direct advertising of the type outlined in Part II were

employed. This literature was definitely tied up to the newspaper copy and sometimes reinforced with small and inexpensive souvenirs. Crop contests and animal contests like those suggested in Chapter XIII helped to bring the bank into intimate contact with the farming community, as well as to find desirable prospects.

This complete Indiana campaign cost $1,385, distributed as follows:

Newspapers	$ 525
Clubs and contests	205
Novelties	160
Outdoor signs	130
Form letters	125
Booklets	85
Circulars	75
Direct solicitation	80
	$1,385

A whip-handle grip of the territory, then, showed this Indiana banker how to concentrate his publicity so that each form of advertising served a definite purpose, and the result was that deposits increased $368,000 in two years.

The methods used by this bank in gaining exact knowledge of its territory are obviously adaptable to the needs of almost any country bank. With the information produced by a survey of this character at hand the banker is better equipped to carry on a consistent and intelligent advertising campaign. In many cases, investigation indicates the success of the business-building plan hinges almost entirely upon the banker's intimate contact with his territory, as in this case.

Take, for instance, the plan used by an eastern banker, who acquired control of a small Ohio bank. He wanted to gain quicker recognition in the strange

field than the weekly newspaper could offer, so he printed his advertising on paper bags and wrapping paper. Then he placed this supply at the disposal of the merchants in the town who were glad to cooperate with him. In this way he flashed his message to every man, woman, and child.

Next, he made a personal visit to all the farmers, learned about their banking connections and the kind of service that they wanted. All this information was transferred to a card index, classified according to location, and then sorted into four mailing lists headed as follows: savings, certificates of deposit, safety deposit, real estate and insurance.

This survey provided this banker with a framework for an advertising campaign directed towards specific objects. He wrote all his own newspaper copy, personal letters, and booklets, and based them upon the material gathered during his trip. In addition to this, he set up new hitching posts in the town and covered them with interesting announcements dealing with his bank's service. He took advantage of agitation for improved highways and joined with several rural neighborhoods in paying his share toward fixing the country roads. This kind of activity won immediate and favorable attention. The new business campaign cost $2,500 the first year and increased deposits $170,000.

In communities where agricultural and industrial activity contributes jointly to the banks' work the analyses preceding the initation of campaigns are usually made along different lines. There are many localities of this kind in which the banker has an appeal ranging from the small farmer and the village creamery to the big merchant and the industrial magnate.

An Indiana bank in a town of 30,000 furnishes an interesting illustration of this type. In three years its

deposits have grown from $500,000 to $1,250,000. It now has 4,300 savings accounts, 4,700 Christmas savings accounts, and 3,000 commercial accounts.

This remarkable growth has been helped by a bedrock survey—based upon inquiry made in the manner already outlined—that records the annual volume of business in the different commercial lines in the city and the size and quality of the crops, along with the prices the farmers are getting. Reference to the payroll sheets of the factories, the stores, the public utility institutions, and the city offices, indicates the annual distribution of cash for wages. These figures, compared with the business done by the merchants, show at a glance roughly how much money may go either out of town or into savings accounts.

THIS BANK GOT NEW ACCOUNTS BY A STRONG CAMPAIGN AGAINST MAIL ORDER HOUSES

By securing the cooperation of the postmaster, the bank has been able to get a line on the approximate amount of mail order business originating in the city and this fact has been included in the general survey as an aid and incentive to the merchants. During one year, for example, it was found that the farmers in the immediate neighborhood bought about 40% of their goods from distant mail order houses. Supplementary to all this information is a complete classification of the population and its banking habits.

This bank spends $5,000 a year for advertising—which is about four times more than in the average bank of its size, investigation indicated.

"Our detailed analysis is chiefly instrumental in producing the phenomenal increase in new business and we believe it has justified the apparently heavy expenditure," says the president. "Different advertising copy is used in the development of the different accounts—commercial, savings, and Christmas savings.

"For a month before Christmas, for example, we frequently use full page space in the two daily newspapers to promote the Christmas club. Throughout the year, the newspaper copy dealing with the general banking service is changed three times a week in the daily newspapers. We also show three moving picture films a month in the two leading theaters.

"Small signposts and signboards (18 feet in length) along the leading roads to the city gain the attention of the farmers. The signposts are a half mile apart for 10 miles and the signboards are located at the end of each of the main roads in the country. To get at the wage earners, we distribute annually 150,000 pay envelops free to every plant in the city where the employees are paid by cash."

This bank also does a lot of direct advertising. Letters are sent out about once a month to mailing lists that are changed whenever necessary and kept constantly up to date. If there's a birth in a family, a letter is sent to the newcomer; in the case of death the bank offers its services as trustee or otherwise as they may be helpful. All this, of course, requires a continual watch of the territory, but it has paid out in bigger and better deposits.

HOW ONE BANK USED MAPS TO ANALYZE THE CLASSES OF PROSPECTS IN ITS FIELD

Fundamentally, the plans just outlined can be effectively applied in larger banks. But because of the varied requirements of the more extensive patronage of these banks, more detailed methods are usually employed in finding out the true worth of the field.

In the type of city in which a large number of factories and big stores and a mixed foreign population offer an exceptional opportunity for the development of savings accounts—or, in fact, for the creation of new business in any other department—it is essential to

have a bird's-eye view of the entire territory. This can generally be accomplished effectively by the use of maps.

A large national bank in the Middle West, for example, divides its city into different districts which are marked on a map. Solicitors are employed to learn how the population is divided by nationality, the average rental, the average income, and the buying and banking habits of each district. In order to check up on competition, the locations of all the other banks are designated according to districts. The locations of the industrial and strictly residential sections are indicated in the same way.

When all this information is gathered, it is turned over to the bank officer in charge of advertising. He then supervises the tabulation for filing purposes.

Each district is filed separately by number and, since a glance at the map will reveal its location, the possibilities for new business are thereby made largely available for study. Rough-and-tumble methods of planning a campaign are eliminated and costs consequently are cut.

The map is constantly used as a guide in fixing the appropriation, which amounts to about $40,000 a year. By looking over the lists, the number of "actives" and "prospects" are quickly determined. An examination of the various departments of the bank is made at stated intervals, and if the business in a certain district appears to be slowing down, solicitors, armed with specific information from the files, are sent out to investigate.

Not long ago, for instance, the bank found that Section 18, the center of a thrifty foreign settlement, was producing very little business. The analysis previously made showed that the income per capita per week was about $8, or a total of about $225,000 for approximately 28,000 wage earners—see Figure 2.

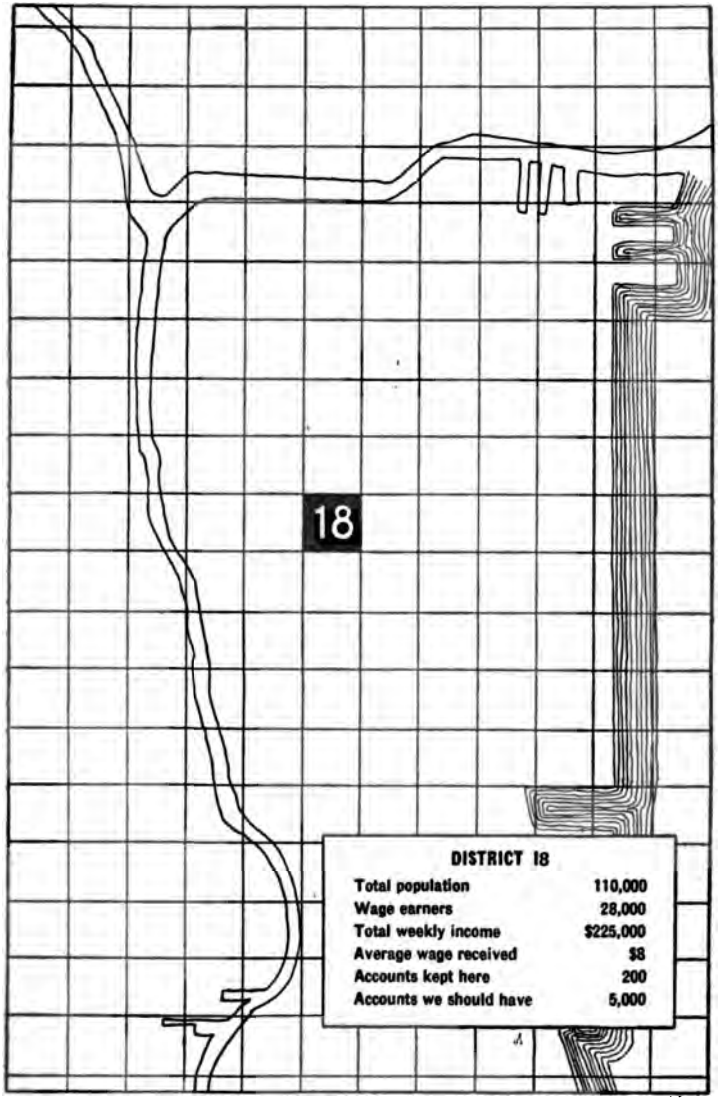


Figure 2: In large cities analyzing a bank's field naturally is more complicated than in the country. A map showing analyses of various districts has simplified the work of one bank. Here is a section of the map that shows how the plan works out.

An investigation made by solicitors who visited the stores and homes in this district revealed that many of the people were ignorant of modern banking facilities, that others were in the habit of hoarding their savings in secret places, and that a large number were indifferent.

After the solicitors made their report to the advertising department, personal letters and booklets similar to those outlined in Chapters VII and IX were sent out to special lists. Bulletins were distributed in suitable foreign languages and souvenirs were given away when an account was opened. The campaign lasted 60 days and cost about $750. Within six months 4,500 savings accounts were secured involving more than $140,000 in deposits.

Where a bank operates over a wide area, methods like those just described serve to concentrate the publicity in specific directions. The map—plus the files—is, indeed, a strong factor in keeping the middle western bank clearly informed and naturally helps to remove the danger of hit-and-miss advertising work.

In analyzing its field to determine how its advertising shall be directed, a large trust and savings bank in the South has used the map idea in another way by dividing its territory into four districts, somewhat like this:

(a) The rectangle bounded by Broadway, Main, Newmarket, and Fourth streets;

(b) Metropolis and Metropolis County;

(c) This state and the states of.....
.....
.....
and.....

(d) The United States.

This bank aims to get a definite amount of business from each of these districts and the campaign is outlined to cover the different classes of prospects in this way:

District (A) is reserved for the special promotion of safe deposit boxes, savings accounts, checking accounts, and certificates of deposit.

District (B) is reserved for the farm, real estate loan, and savings departments.

District (C) is reserved for the sale of bonds and general banking services.

District (D) is reserved for general banking service.

This particular classification cuts out all preliminaries in the distribution of advertising and enables the bank to keep a definite check on the sources of all new business. It strengthens the advertising in its task of paving the way for the solicitor, who is usually left free to devote his time to the personal needs of the men he interviews in any of the various territories.

One of the principal points developed during the investigation was that a convenient location for a bank made a strong appeal to many depositors. Since this trust company was right in the heart of the business district, its location was made the feature of an attractive folder.

A map of the district, encircled in red and indicating the accessibility of the institution, was printed on the cover. Inside were figures showing the institution's growth and strength, and the service furnished by the various departments. This folder was sent to all the business offices in the locality, and later reinforced with personal letters. Another campaign of personal solicitation followed and a great deal of new business was finally created. (Figure 3.)

Now all these incidents go to indicate the value of a thorough analysis in the small farming town, the

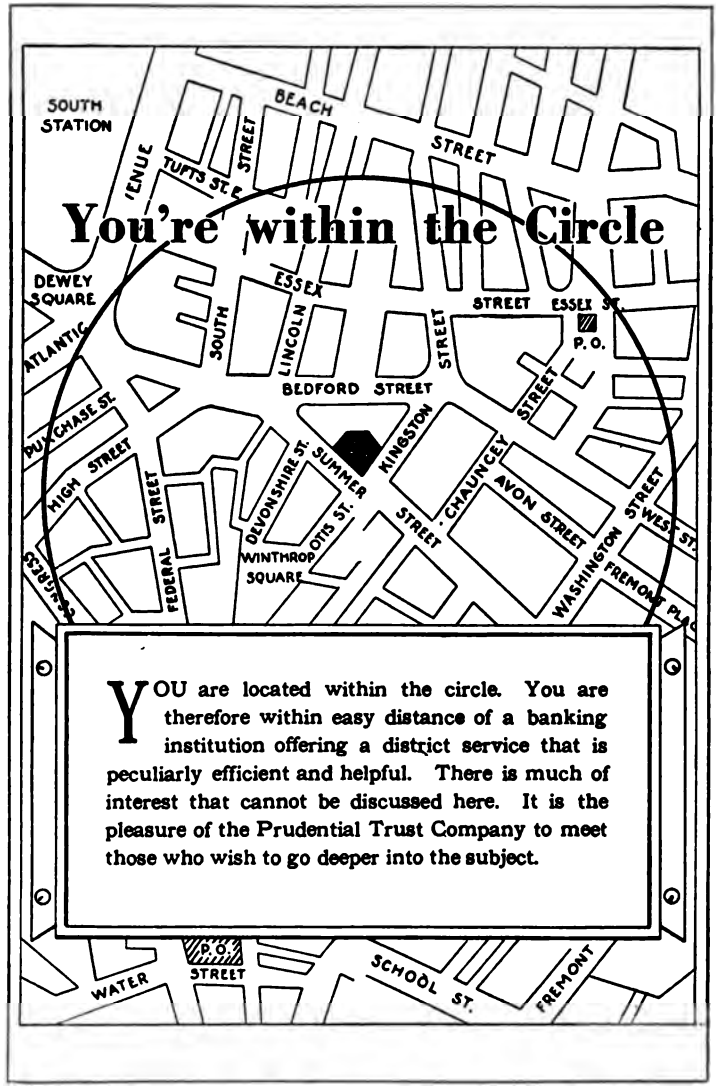


Figure 3: Perhaps prospective customers in the vicinity of your bank do not appreciate the convenience of your location. A circular-map such as shown here may convince them. It helped considerably in getting new business for one trust company.

agricultural town and the metropolitan center. It is a mistake to suppose, however, that "rule of thumb" practice can be followed successfully in any of these types of localities.

In making any analysis, of course, thorough consideration must be given to the character of the competition and the economic factors peculiar to the field. Some banks find profit in an appeal for commercial deposits, others derive the greatest benefit from savings and trust accounts.

ONE BANKER IN A SMALL COMMERCIAL TOWN BUILT UP DEPOSITS OF MORE THAN $2,000,000

Take, for example, the conditions revealed in two Ohio cities during the investigation made to gather material for this volume. A national bank in one town of 15,000 people has built up deposits of more than $2,000,000. There are three other strong banks of about the same size in this locality and competition naturally is sharp. These banks spend in the aggregate $7,000 a year for advertising. The town is essentially a payroll community with a number of small factories and mercantile establishments.

Since the tradesmen and the manufacturers handle the bulk of the money, the commercial deposits are obviously more numerous than in an agricultural town. When making a play for this commercial business, these banks find that the personal influences of their stockholders and directors is decidedly effective. In their advertising copy they lay stress on their age and strength. The personnel of the board of directors is also used to command confidence. Since the field is limited, these banks do very little direct advertising, but they are constantly hammering at prospects by personal solicitation in which the directors play an active part.

If, for instance, a bank enlists the support of its

commercial depositors in its new business campaign, these customers may be able to interest their employees or friends in it. In the same way these banks seek to develop trust and savings business. The bankers visit the business men at regular intervals, send them personal letters occasionally, and distribute attractive souvenirs once a year.

Now it is worth while comparing the conditions in this town with those prevailing in another town twice as big about 30 miles away. The four banks in the small town have total deposits of $8,000,000; five banks in the large town have deposits of only $3,500,000. A comparative analysis of these two fields reveals a sharp difference in the character of the business prevailing. The advertising methods that pull big returns in the one locality might therefore be ineffective in the other.

The smaller of these two towns depends upon diversified business interests; the larger is supported by a single industry—steel manufacturing—that ships a monthly payroll of $265,000 from Pittsburgh. Its five banks spend $4,500 a year for advertising as against $7,000 expended by those in the other town. Commercial deposits represent the main goal in the smaller locality but in the larger, which lacks many distinct payrolls, savings accounts are the objective.

The methods used by the largest bank in the steel town is typical of the plans followed by its competitors. About 75% of its total appropriation is devoted to the savings department, and the balance to the commercial section. In order to make its newspaper copy effective, it is continually checking up on the wage earners in the steel mills to find the messages that appeal to them. A clerk is sent through the manufacturing district twice a month to learn the number of employees in the mills and to watch for any newcomers. He talks several foreign languages and this

knowledge has helped him to win for the bank the good will of many of the laborers. By organizing small savings clubs among the workers and offering to call for their deposits at regular intervals, he has succeeded in getting a lot of money into the bank that otherwise might have remained in hiding.

The outstanding feature of any or all of the plans described in this chapter is the fact that thereby the banker gains more specific knowledge of his community. Investigation clearly showed that the bankers who have made their advertising a real business asset are those who have compiled cold, hard facts about their competitive and general expansion problem. It also showed that a dependable analysis, instead of acting as so much expensive red tape, is in reality often the first stepping stone to increased business and broader public confidence through logical publicity.

Finally, the banker who relies on his acquaintance or on his memory in handling his advertising is seldom able to point to any direct and satisfactory results. His advertising cannot be vital or reach its greatest value until he looks into the very bottom of it and then matches the results of his study with the possibilities of his field.

CHAPTER II

PLANNING A CAMPAIGN

WHEN Toledo merchants advertised "A Dollar Day Sale" the Ohio State Savings Bank announced that it would place a dollar to the credit of every new customer who opened a dollar account on the day of the sale. This plan won 284 new accounts and at the end of a year more than 85% of them had turned out to be profitable.

This detailed drive for business was but a part of a definitely laid-out campaign, yet it serves to illustrate how the alert banker can often attract new business by taking advantage of apparently unimportant situations at exactly the right time.

This bank's advertising campaign as a matter of fact helped to produce about $4,000,000 in increased deposits in one year, largely because it was arranged in a complete series of connected operations embracing specific ideas and covering a definite time. In bidding for more members in its "Vacation Club," for example, a certain number of newspaper advertisements were prepared at one time to run over a certain period and in each the idea of saving for a vacation was the keynote. This was followed up with street car cards as explained in Chapter V, and with direct advertising along the lines suggested in Chapters VII and IX.

Organized drives for trade of this character, so this and other banks have found, are almost always certain to produce satisfactory results. When planning its advertising this bank determines, first of all, the service it has to offer.

This perhaps may appear to be an obvious step, yet unless the banker lists these various services in an orderly way, the chances are that he may overlook a feature in some department and thereby retard the campaign's returns. In advertising its safety deposit department, for instance, this bank goes farther than to emphasize mere safety and convenience. It sets forth the unusual facilities in connection with the vaults, such as spacious and attractive coupon rooms, and large and comfortable rest rooms adjoining the strong box.

After outlining the various services, the next step in shaping the plan is to select the most effective means of presenting each service to the public. This narrows down to the problem of finding the best available advertising mediums. An attractive rate on savings deposits, for instance, might probably be emphasized most advantageously in a series of constructive and educational newspaper advertisements, supplemented by a distribution of novelties, such as miniature banks, calendars, blotters or pencils. In appealing for specific business like Christmas savings or in seeking the recognition of investors, other mediums are often more desirable, such as those outlined in Chapters V, VII, VIII and XV. Thus by keeping constantly in mind the different services that it furnishes, and then studying the broad range of available mediums, this bank finds adjusting its requirements to its general plan a simple matter.

The final step in rounding out the plan is to find out the exact territory to which the bank appeals. Right here the advantages of a clear analysis of the sort described in the preceding chapter becomes evident. Since the possibilities of new business for each department and a classification of "actives" and "prospects" according to the departments have first been listed, the campaign is started with a definite goal in

view. In one year this method of shaping up a plan helped to record an increase in deposits from $8,292-516.99 to $12,266,406.18.

Not long ago the head of a small Michigan bank used an old idea in laying out a new plan to get more business from farmers. This plan increased deposits from $100,000 to $500,000 in two years. First, the bank announced an increase in the rate of interest on savings deposits from 3 to 3½%, providing an account was opened with $500 or more and remained three months or longer. This increased rate followed the action of a competing bank in overbidding on state funds.

HOW A MICHIGAN BANKER MET COMPETITORS AND INCREASED DEPOSITS $400,000 IN TWO YEARS

The increased rate was advertised in the newspapers along with a schedule of figures which showed how the increase of 0.5% in the interest rate on savings deposits effected the earning power of money. Booklets linked up with the newspaper campaign and personal letters signed by the president of the bank were then sent to the farmers. Pamphlets dealing with the 3½% rate were distributed at the grange meetings in the county and at the annual farmers' institute.

After emphasizing the higher interest rate, the next step was a series of corn contests, stripped of the old "clothes" and introduced in an entirely new dress. The contests were advertised in the newspapers, on circulars and on placards distributed throughout the county at a cost of $350. The placards were nailed on the telegraph poles and on the fences along the main roads. The bank had previously arranged for the co-operation of 55 county school teachers when an officer visited the schools, explained the contest rules and received assurances of the teachers' support.

The names of the teachers were obtained from the

school directory, furnished by the county superintendent, and placed on a mailing list. Snappy letters and attractive folders were then sent to the teachers. Postcards and pamphlets furnished by a state university advertising the corn contest were distributed among the farmers.

The contest was for the largest yield of corn per acre. Two men, one a prominent farmer and the other a business man in the town, were appointed judges. The bank gave away $100 in gold divided into several prizes: $40 for the first prize, $25 for the second, and so on down to as small a prize as $5. The contest was decided on the following points:

Heaviest yield per acre	30 points
Best show of profit on investment	30 "
Best written account of crop	20 "
Best exhibit of 10 ears	20 "
Total	100 points

Then, in order to arouse interest at the county seat, a "Corn Day," providing for a big display of wagon loads of corn in the public square, was announced. At this point the banker secured the assistance of the merchants and the village newspaper. The merchants emphasized the "Corn Day" in connection with their regular advertisements and the newspapers printed interesting reading notices about the event. This brought hundreds of farmers and their families to the city.

At the teachers' institute, the county school superintendent told his teachers about the bank's corn-growing contest, distributing at the same time rules, regulations, and pledge cards. Then he instructed them to see that copies of these were placed in the hands of each child. In this way the bank put literature into homes that probably could not have been reached through other channels without much more expense.

After the boys had filled out an entrance card (Figure 4), the county agent took charge of the contest upon the request of the bank. Each boy was given at the bank enough good seed corn to plant his acre. In doing this the bank had two objects in view, first, to get good corn introduced into the county, second, to get the boys into the bank.

Usually the father would bring the boy into the bank to fill out the registration blank, and thus the bank made many new acquaintances, some of whom eventually became customers. The bank made it a point to give the youthful visitor a lot of attention when he came in. Some one took him through the vaults and showed him the time clocks, the currency, the silver and gold, and the counting machines.

A representative of the bank called on the boys at their homes. This gave the bank an opportunity to visit the farms and get better acquainted. After the corn was harvested, usually during the last week in November, the corn show for the boys was held. It was advertised for a month previous in the newspapers, by placards, and through letters. The show lasted for two days, and attracted farmers from all over the county. At the same time the bank also held corn shows for men and gave prizes for the best exhibit of 10 ears. Instructors from the state university were present and lectured on agricultural subjects.

When this campaign was finished, another plan was launched. It aimed to attract the savings of the school children. The names of the pupils were obtained from the school superintendent and each pupil furnished with a combination savings and pass book. The bank announced that it would give a 25-cent piece when the child visited the bank to open an account. This plan was advertised in the newspapers in a 20-inch display space once a week accompanied by reading notices. The offer of the gift of a

ENTRANCE CARD
FOR
BOYS' CORN-GROWING CONTEST

Name Alfred Peters Age 15 Years
Name of your school Greig Township Adams
Name of your father or mother S. H. Peters
Address Mason City R. F. D. 6

I desire to enter the First Bank Corn-Growing Contest and hereby pledge myself to be governed by all the rules and regulations laid down for said contest. Should my crop fail from any cause beyond my control, I will in no way be held responsible.

Date 4-4 Your Signature Alfred Peters

Figure 4: This simple card form helped one bank to arouse popular interest in a corn-growing contest.

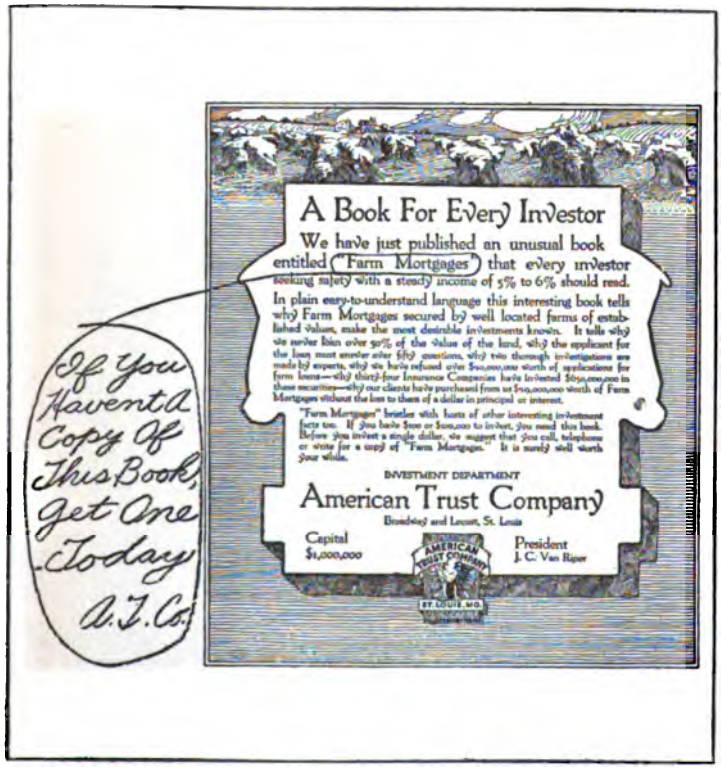


Figure 5: "Something out of the ordinary" was the idea back of this novel display. The script, printed in red, attracted immediate attention to the main feature of the offer.

piece of money won the immediate attention of the children. Letters were sent to the parents urging them to cooperate. Within three months 700 children's accounts amounting to about $4,500 were opened.

Within nine months, the plan of a Missouri banker resulted in the sale of about $125,000 worth of farm mortgages and brought inquiries from 2,000 people in 40 states.

HOW THIS BANKER DETERMINED THE SORT OF APPEAL THAT WOULD WIN OUT

When outlining this plan this banker faced two important questions:

1. What kind of people do I want to reach?
2. How can I frame my strongest appeal?

He decided that he wanted to attract the small investor. The next step was to prepare copy that would gain this small investor's attention. He realized that a dry-as-dust description of the mortgages would fall short, so he concluded to use a series of simple and graphic appeals.

"I was in the mercantile business once," he explained, "and I found that the use of illustrations in the advertising helped to gain quicker notice. I learned, for instance, that an advertisement about shoes showing pictures of a couple of styles of shoes was almost always effective. I therefore concluded to use the picture idea in my farm mortgage advertising."

First, he prepared a series of 10 two-column advertisements, each to take 11 inches of space in the newspapers, and to run consecutively. The copy emphasized the value of farm mortgages—for instance, one advertisement stated in display type that the "government figures show that farm lands are constantly increasing in value—the security behind the billions

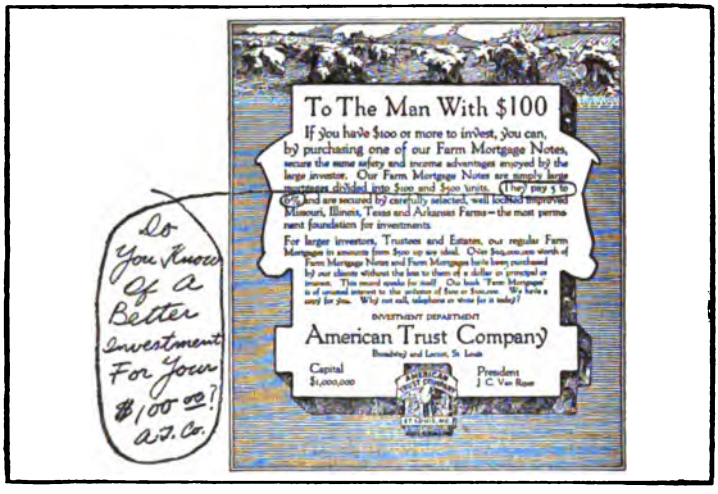


Figure 6: The small investor is not overlooked by this bank, as this display clearly indicates. You will note that the same form of advertisement was adhered to in this series.

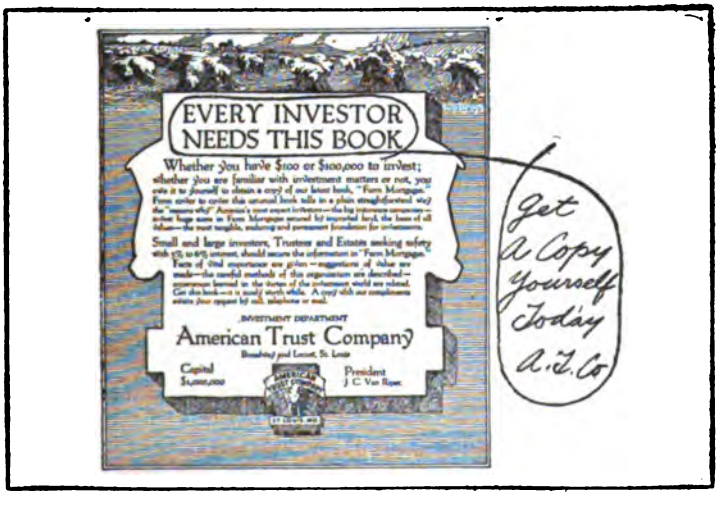


Figure 7: This advertisement brought business by calling attention to a book which contained forceful selling arguments. This particular advertisement was one of the most successful of the series.

of dollars' worth of farm mortgages is therefore becoming stronger." In order to bring out the high lights of the plan, the reading matter of each advertisement was inserted in an artistic panel, the border of which showed farm scenes.

When this series was completed, the banker planned another set of 10 three-column newspaper advertisements, each to occupy 21 inches. This series showed how the bank selected its farm mortgages, it appealed to the man with only $100 to invest, and it told why it carried the accounts of expert investors. As in the shorter series, the larger advertisements were embellished with attractive farm views that caught the reader's eye.

After these advertisements were printed in the newspapers of the city, the next step was to get them before prospective customers farther away. A set of 5,000 complete proofs of the three-column series was printed and bound together for distribution to a selected mailing list, as described in Chapter VIII. In order to focus attention on all of the different units in the series, the main points in each of them were encircled with red crayon and side explanatory notes were made (Figures 5, 6, and 7).

Booklets and folders were next prepared on lines similar to those suggested in Chapter IX. This literature, however, had the added force of attractive illustrations, showing, for instance, just how the bank received an application for a mortgage, how the inspection of the farm was made by the bank's appraisers, how the directors passed on the loan, how the bank notified the borrower when the loan was approved and, finally, how the borrower received his check.

The collection of newspaper advertisements and the booklets and folders were followed up with small, illustrated advertisements in seven magazines of

national circulation. In this way, the banker broadened his appeal until it reached for business from over a wide area.

This campaign cost about $5,000. Besides bringing the name of the bank that undertook it before thousands of people who had never heard of it, the direct results were very satisfactory. The campaign was successful because each step was followed up in a definite and consistent way.

This plan, of course, provided for the sale of a specific article—farm mortgages. It can be used to a greater or less degree in any bank which offers something of a tangible nature. It might not, it is true, be profitable in developing commercial accounts or small savings accounts. Investigation, however, disclosed many other plans that fit such cases.

A TOLEDO BANK USED THIS PLAN TO BUILD UP SAVINGS DEPOSITS

Take, for example, the plan of the National Bank of Commerce of Toledo for building up savings deposits. This bank decided to supplement its usual advertising campaign and personal solicitation by an offering of accumulative certificates of deposits. These certificates were in denominations of $100, $200, $500, and $1,000. They were advertised first in the newspapers and then directly to a selected mailing list. Samples of the certificates were displayed at different places in the bank lobby. The public was invited through the newspapers to call and find out the advantages of this plan for saving.

The certificates were based on a monthly payment plan which covered a period of seven years to maturity and ranged from $1.07 to $10.69. They could be surrendered at any time, including payments and interest (which was compounded semi annually) in excess of 3%. The plan provided for an extra bonus

as an inducement to mature the certificate, this being in addition to the regular 3%, compounded interest. The certificate, for whatever its face value might be from $100 to $1,000, was delivered to the purchaser when the first payment was made.

The plan worked this way. Take, for example, a certificate of $500 denomination. The first deposit was $5.35. At the end of the seven years, the certificate matured for $500, the deposits totaling $449.40, and the interest amounting to $50.60.

Aside from the security and attractive earning power back of this plan, there was another decided advantage. The certificate of deposit appealed to the pride of the small depositor, who sometimes felt that a certificate was beyond his reach until his savings reached more than $100. But under this plan he could become the possessor of a certificate and thus to an extent enjoy precisely the same privileges that went to the customer with the bigger account.

The vitality of any plan often depends upon finding a common factor of interest and motive. It pays to combine the strongest possible individual interests into a common appeal of direct fitness.

At the outbreak of the war, for example, patriotism was intensified and a large Ohio bank took notice of the spirit of the people when planning a campaign that secured about 8,100 accounts amounting to more than $80,000. It gave away an American flag (4 feet by 6 feet and equipped with a pole, halyard, and bracket) to every person opening an account of $5 or more. The distribution of the flag was nothing new among banks; it was the novelty back of this particular bank's plan that won the business.

Its campaign was planned under the caption "Show Your Colors," which was used in form letters, booklets, and newspapers. All the literature, excepting the newspaper copy, was printed in red, white and blue.

Direct advertising was sent out to a selected mailing list of 10,000 names. This was supplemented by advertisements which appeared in the daily newspapers twice a week for a month. Signs were displayed in the bank's windows and in the street cars.

AN APPEAL TO PATRIOTISM THAT BROUGHT 8,100 NEW ACCOUNTS TO ANOTHER OHIO BANK

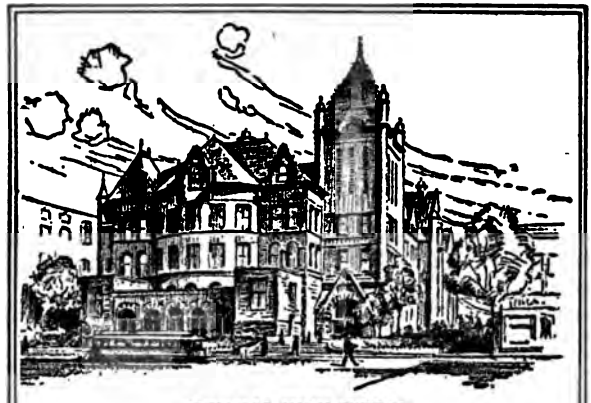
But in driving home the force of this publicity this was the punch that probably landed the business: When the new depositor came into the bank, he received a card to fill out that called for his name, address and occupation. This served as an introduction. The card accompanied the customer's initial deposit, and after he received a flag, the card was stamped "Flag given" and sent to the advertising department.

The cards were then filed alphabetically and furnished the basis for direct advertising—as outlined in Chapters VI, VII, and VIII—embracing all the departments of the bank. Letters were sent to these new customers asking them to influence their friends to visit the bank. Many of the depositors who started an account with only $5 were thus induced to become more profitable customers and to bring in new business.

Sometimes an outside appeal based on a notable event in the community serves to give the campaign a clever and persuasive touch. Plans of this kind often arouse civic pride and gain increased good will.

During the national Democratic convention of 1916 at St. Louis, for instance, the St. Louis Union Trust Company spent $2,000 in advertising the St. Louis high schools, five magnificent buildings. These schools are splendidly equipped and richly endowed. They are located in the most attractive parts of the city.

A series of large and artistic displays were placed in



CENTRAL HIGH SCHOOL

TENS of thousands of St. Louisans associate the phrase "High School" primarily with "Central High." Whether graduates of the old school on 15th and Olive, or the newer edifice on Grand and Windsor, which is pictured here, their recollections of High School days, happy-go-lucky or serious, jolly or sedate, are quickened by the sight of Central High. Of the thousands of men and women whose lives have been intimately bound up with the growth and welfare of St. Louis, who received their early inspirations at "Central", we can mention but a few.

FRED. CRUNDEN
Librarian, City of St. Louis

JOHN H. McCLUNEY
President, State National Bank

DR. HENRY H. MUDD
Washington University Medical School

HORATIO D. WOOD
Judge, Circuit Court

The chief end of education is the formation of character. Judged by the thousands it has influenced, Central High School is a civic asset of which every St. Louisan should be extremely proud.

St. Louis Union Bank

Fourth and Locust

THE BANK OF USEFULNESS TO ST. LOUISANS

Figure 8: Advertising the city's schools to get business indirectly for the bank might not appeal to many bankers, but displays like the one above gained much favorable attention for one St. Louis bank, and the cost of the space was considered well worth while.

TO become an influential fountain head of education in the empire drained by the Mississippi is an achievement that has been secured by St. Louis University without a grant of public aid. This should be a matter of interest and pride to every St. Louisan.

The main buildings of St. Louis University have been situated since 1888 on the block bounded by Grand, West Pine and Lindell. A contrast indeed to the three-story log house erected near what is now Ninth and Washington in 1828. Of this first building an old historian quaintly remarks: "Inauspiciously situated in a region of weedy ponds, groves of sorry oak and suburban farms, as the limits of the city were just beyond the Rue des Granges." (Street of the Barns—our present Third Street.)

For years the outpost of culture and religion, in the midst of a pioneer civilization, its history is a succession of memorials to the lives and works of the Jesuit Fathers who founded it.

St. Louis University now offers courses in Theology, Medicine, Law, Dentistry, the Arts and Sciences, and Commercial Science.

St. Louis Union Bank

Fourth and Locust

THE BANK OF USEFULNESS TO ST. LOUISANS

Figure 9: This shows another newspaper display in which one St. Louis bank deviated from the stereotyped phrases and old-fashioned appeals used by many banks. These displays established the bank's reputation for promoting civic enterprise and influenced new business.

the newspapers, inviting the thousands of convention visitors to look over the St. Louis high schools (Figures 8 and 9). Copies of the advertisements were distributed in the hotels and other public places where the visitors congregated.

"In planning our campaign we are always watching for just such instances," declared an officer of the bank. "The advertising of the bank to be profitable must get away from the old-fashioned appeals, such as 'we solicit your account,' or 'we pay 3% interest on savings.' The advertising should have a human touch above all and should be public-spirited, as illustrated in the case of our school-building advertising. We gave the people a heart-to-heart talk about our fine schools and told them we would like to have them see for themselves just how excellent our school equipment was."

"Now this copy, which had nothing directly to do with our banking service, nevertheless brought us some new business. It did more than that. It established our name as standing for civic enterprise with thousands of people who may have never heard of us before, and in that respect fitted squarely into our idea of gaining public confidence."

When it comes to reaching out for the savings of wage earners and salaried workers, the plan of a savings bank in the Middle West with deposits of $8,000,000 can be successfully applied in almost any bank. The officers of this bank appealed to several large employers in its locality and asked them to use their personal influence in getting their employees to open savings accounts. A campaign of direct solicitation was then started by a representative of the bank. This solicitor visited the factories, the stores and the warehouses. He talked with the workers, took their names and passed out literature having to do with savings. The names thus secured were placed on a

mailing list and personal letters were then sent as outlined in Chapter VII.

Many of the concerns entered heartily into this plan. One of the largest in the city, for instance, gave a banquet to its employees, charging $1 a ticket. There were 529 workers present. At this banquet the dollar was returned to each employee in the form of a deposit with the bank. Printed cards, furnished by the bank, were distributed. These cards expressed the employer's desire to encourage the habit of saving. The cards also stated that the employee could deposit his money with the cashier of the firm, if he wished, the pass book to be delivered and returned in a sealed envelop. This plan increased savings deposits about $40,000 in a year through a source that had been neglected.

These are only a few of the many instances that might be cited to demonstrate the importance of having a definite plan underly the campaign. Methods like those described provided a strong foundation on which operations can be economically and profitably carried out.

CHAPTER III

HOW TO DISTRIBUTE YOUR APPROPRIATION

HOW much should a bank spend for advertising? A small bank in Tennessee, with a capital of $50,000, sets aside each year 20% of its gross earnings. Another bank of the same size in Wisconsin appropriates only 5%. The southern bank recently earned 12% on its capital, while during the same year the northern bank earned 38%. Thus, the earning powers of banks vary and therefore it is not generally possible to base the advertising appropriations on them.

The head of a large trust company suggests that 2% of the capital should be spent for advertising. Many trust companies, however, do a large business on small capitals and others a comparatively small business on large capitals.

Some small bankers, investigation showed, take the position that 10% of the dividends should be appropriated. To many the basis for this calculation seems illogical, because it would have much the same effect as the arbitrary allotment on the basis of gross earnings.

Investigation indicated that a large number of successful banks take one tenth of 1% of the average yearly deposits for the year just closed and appropriate this amount to be spent for advertising during the year to follow. On this basis, a bank with $500,000 deposits would expend $500.

Whether in the prairie bank or in the metropolitan bank, the policy of fixing a certain amount annually

serves to compel a careful selection of mediums. Since he has only a limited amount to spend, it is natural that the officer in charge of the advertising should try to get the greatest possible value out of the expenditure.

The character of the business handled strongly influences the size of the appropriation. The small banks with a large savings department, for example, spend more than the small banks whose business is principally of a commercial nature. A small national bank in Indiana spends only $450 a year, while a neighboring state bank, about the same size has a trust department and 3,800 savings accounts and spends $1,500.

There are many similar examples. One of the large trust and savings banks of the East spends more than $150,000 annually. It maintains a new-business department and uses a wide variety of advertising mediums, including paid solicitors. A national bank in the same city, which has one hundred million dollars more in deposits than this trust company, spends less than $25,000, because its business is limited principally to corporation accounts and country bank accounts.

A state bank in Ohio, with deposits of $1,800,000 and which spent about $2,000 annually for 10 years on a hand-to-mouth plan, finally decided to fix upon an appropriation. It set aside one tenth of 1% of the deposits, or $1,800. This bank had 4,200 savings accounts, a Christmas club with 1,600 accounts, and a vacation club of 200 accounts. When the appropriation of $1,800 was made, the cashier distributed it among the different departments as follows:

General banking service	40%
Savings department	30%
Commercial department	20%
Real estate loans and safety deposit	10%

The next step was to select the most effective mediums for developing new business for these departments. The banker had previously made an analysis (see Chapter I) of the territory and this helped him to determine how and where to make the most forceful appeals. The appropriation was then divided over the following mediums:

Newspapers	$650
Direct advertising (letters, booklets)	400
Calendars, novelties, and so on	275
Road signs	250
"Movie" cards	100
Pay envelops	75
Programs (county fair and theater)	50

Here, in other words, the cashier of this bank calculated how much to spend for each department and how much to spend with the different mediums to be used. This naturally served to tighten the advertising disbursements. Since he had only $275 to spend in calendars and novelties, for example, he was careful to buy only those that gave the most attractive promises of producing returns. And in buying program space, he tried to make his $50 appropriation last throughout the year by taking small space. The same principle was applied to every other division of the appropriation. Thus he was able to practice economy that did not detract from the strength of the campaign.

"When we made this appropriation of $1,800 we decided to stick to it as closely as possible," says this cashier. "Before we set aside a stated amount, we were in the habit of buying publicity in a careless way, but now we aim to get the best and lowest prices on everything. On our newspaper space, for instance, we have saved more than 20% by taking a contract for a year. It is the same way with all the other mediums. We know exactly how much we have to spend for each

of them, and, since we have only a certain amount, we try to get our money's worth.

Once the appropriation is made and distributed, as in this bank, it is desirable, of course, to limit the expenditures accordingly. Sometimes this cannot be done—an unusual event may justify publicity entirely outside the regular program and require an additional expenditure.

SHOULD UNUSUAL EXPENDITURE FOR ADVERTISING BE INCLUDED IN THE REGULAR APPROPRIATION?

The investigation showed that many of the banks which settle on an appropriation do not confine their expenditures strictly within the fixed limit. It often happens that a surplus is left after the year's campaign is carried out and it is also true that extra expenditures are often made. For instance, a small Missouri bank which spends about $1,200 annually used only $800 during one year because prosperous business conditions and a free money market did not require normal publicity.

Another year, however, this bank exceeded its appropriation by $550, because it participated in a joint thrift campaign with other banks. Since the plan gave indications of much increased business, the bank did not hesitate to participate. In this bank, however, the whole expenditure was carried in a lump sum and no separate classification was made for the extra advertising.

In the majority of the banks carrying more than $5,000,000 deposits, extraordinary expenditures of this kind are not allowed to conflict with the regular appropriation. For example, an eastern bank which spends $9,600 a year, decided to advertise its anniversary as a special event and this expense was kept separate from the general appropriation.

In preparing for this anniversary campaign, an as-

sistant cashier was instructed to make a preliminary investigation to determine how much money would be required and to select the most effective mediums. In order to give the event a birthday atmosphere, he recommended that souvenir pass books be given to those opening new accounts. The plan also provided for a large birthday cake to be used for a window display and for the distribution of pieces of cake in small and attractive boxes tied with satin ribbon. Each box also contained a coin as a gift. These boxes were passed out to the depositors.

It was then decided to use the newspapers, signboards, announcement cards and circulars for advertising the event. The estimated cost of the plan was $4,500, and the final appropriation was distributed as follows:

DIRECT EXPENSE

Cost of leather pass books less allowance for regulation books	$1,400.00
Cost of regulation books opening new accounts	178.80
Cost of 500 extra leather books	250.00
Newspaper advertising	1,126.32
Three signboard displays, less one usual display	96.25
Window display	12.00
Cake	190.00
Cake boxes	120.50
Coins	620.49
Meals	52.50
Mailing circulars	145.00
Stamps and addressing above	100.02
Present to extra assistants	42.05
Blue announcement cards	54.50
Birthday inserts	5.50
	$4,393.83

Thus the expenditure fell within the estimate a little more than $100. An analysis of the cost revealed that 42% was spent for the pass books; 21% for the cake, window display, and coins; 27% for the newspapers; and 10% for other printed matter. On each account an average of 11 cents in cash was given away.

This campaign produced 5,287 new accounts, so that the average advertising cost of each account was about 83 cents. The amount of new business secured was more than $118,933.

When fixing and distributing the appropriation, the location of the bank exerts a strong influence. The small banker in the suburb of a large city or a college town often faces a different problem than the banker in farming communities or a small industrial town.

Take, for instance, the conditions facing a trust and savings bank in a suburb of Chicago. This bank appropriates $4,000 annually, which is distributed as follows: $800 for an electric sign, $500 for newspaper space to publish the statement of condition, $180 for a sign on a clock in a moving picture theater, and the balance for direct advertising to four selected mailing lists which were originally purchased from a mailing list house. These lists contain the names of residents in the neighborhood of the bank and cover the real estate, bond and trust departments, and the general banking business.

It is interesting now to compare this distribution with that of another bank of the same size in an Illinois farming community which spends only $2,200. About $1,200 goes to the newspapers in the county, $600 into direct advertising, and the remainder for gifts and novelties. The suburban bank cannot afford to use the large daily newspapers for regular display and depends, therefore, on direct advertising which has helped to increase its deposits 39% in two years. In the farming town, however, the newspaper takes the major portion of the appropriation and has helped to increase its deposits 24% in one year.

It is worth while noting that many suburban banks, unlike many country banks, use large electric signs and films and slides in the moving picture theaters. One bank of this kind, which is typical of others,

spends about 20% of its appropriation of $3,000 for illuminated signs, 25% on the films, 25% on direct advertising, 20% on novelties, blotters, calendars, and so forth, 5% for church programs and charities, and 5% for newspaper space.

Among the larger banks the distribution of the advertising budget varies as widely as in the country and suburban banks. A trust company in St. Louis, for instance, which carries 27,000 accounts that average $181 each at the opening, spends about $16,000 a year. Of this amount, $8,000 is spent on the savings department, $4,800 on the trust department, and $3,200 on the commercial department. It is distributed as follows: Direct advertising, 56%; newspapers, 33%; weekly newspapers, 3%; novelties, 8%.

Another bank in Detroit, the business of which is mainly of a commercial character, spends about the same amount as this St. Louis bank. But the Detroit bank has less than 2,500 small accounts and the average balance of each of these accounts is $200.

The appropriation in these two banks naturally is distributed on a sharply different basis. While the St. Louis bank lays stress on its savings department, the Detroit bank places emphasis on its commercial department. The methods used in distributing the appropriation in these banks are significant and helpful as indicating how to divide the budget to reach distinct classes of business. The Detroit bank spends more than 75% of its appropriation in the newspapers, divided as indicated below:

Newspapers	$11,132.63
Financial publications	488.08
Local special publications	333.00
Bank directories	585.00
Complimentary to Michigan bankers (2,200 road maps; 450 directories)	854.90
Composition and electros	259.08
Commission of advertising agents	600.00
	$14,252.69

A comparison of this distribution with that favored by the St. Louis bank, which follows, shows an extraordinary difference:

Direct advertising (This includes form letters, booklets, circulars, blotters, and special plans appealing to distinct classes)	56%
Daily newspaper space (This is divided among seven daily newspapers in St. Louis)	33%
Weekly newspaper space (This provides for space in some of the small newspapers near the city)	3%
Novelties (This provides for the purchase of pencils, buttons, badges, and the like, bought at different times during the year)	8%

The St. Louis bank is a savings and trust company; the Detroit institution a national bank. This broad difference in the distribution of the appropriation is typical of the variation prevailing among other large and successful banks.

The Detroit bank carries many country bank accounts and is an important reserve agent. Most of its advertising copy appears in the newspapers and is intended principally to show its age and strength. The balance of the fund is spent in financial publications to gain the attention of the small bankers and to feature souvenirs in the form of pocket size bank directories and road maps which are sent to banks throughout the state.

But the St. Louis bank with its 27,000 large savings accounts makes a wide appeal for individual business. Most of its appropriation, as the above table shows, goes into direct advertising, with the newspaper expenditure ranking second.

It is desirable always to distribute the fund in such a way as to show exactly what departments are ad-

vertised and how much of the appropriation is devoted to them. It usually is just as simple to do this effectively in the large bank as in the small Ohio bank already mentioned.

One of the biggest trust and savings banks on the Pacific Coast illustrates how this apportionment can be made to apply to every department. This bank appropriates $10,000 annually and has secured very good results from its distribution according its president.

HOW ONE BANK DISTRIBUTES ITS ADVERTISING APPROPRIATION BY MEDIUMS AND BY DEPARTMENTS

"We aim to use one tenth of 1% of our total deposits in the advertising fund," says an officer of this bank, "and we find that this plan works out satisfactorily. We try to keep the expenditure within this amount. One year, however, we exceeded the appropriation by $2,010 because of unforeseen demands that arose during the year."

Of this $12,010, $8,600 went to general publicity. The total expenditure included the salary and expenses of the publicity manager, $2,400, and in addition to this the following amounts were spent in the various mediums indicated:

Newspapers	$ 2,380.00
Street car advertisements	248.00
Pads for wall calendars	450.00
Advertisements in magazines, journals, and so forth	680.00
Circular letters	790.00
Signs and placards	240.00
Miscellaneous advertising and entertaining in the form of entertainment for customers, service luncheons, flowers, picnics, and so on	1,970.00
Booklets	2,852.00
Publicity manager (salary)	2,400.00
Total	$12,010.00

The publicity manager then checked the amounts spent for each department as shown in the following classification:

Individual department	$ 900
Savings department	1,000
Estates department	200
Corporate trust department	....
Country banks and remittances	50
Bonds and stocks	100
Warrants	....
Bills receivable department	10
Mortgages and real estate	150
Reserve agents	....
Collections	....
General	8,600
Insurance department	200
Executive	700
Auditing department	....
Treasury department	....
Stenographic and mail	....
Escrow department	....
Multigraph department	....
Foreign department	100
	$12,010

In distributing the expenditure of $8,600 for general advertising, the following tabulation shows exactly how each department shared in the fund:

Individual Department	35 %
Savings department	10 %
Estates department	3 %
Corporate trust department	2.5%
Country banks and remittances	5 %
Bonds and stocks	3.5%
Warrants	3.5%
Bills receivable department	10 %
Mortgages and real estate	7.5%
Reserve Agents	5 %
Collections	7 %
Insurance	1 %
Sales	5 %
Escrows	1 %
Foreign	1 %
	100 %

With the expense distributed in this manner, the officers and directors can tell at a glance precisely

HOW 437 BANKS DISTRIBUTE

The advertising appropriations given below may be accepted as typical for banks throughout the country. These percentages were obtained during the course of a country-wide investigation of bank costs and methods made by the Bureau of Business Standards of the A. W. Shaw Company. This investigation was the first of its sort ever undertaken,

A VERY SMALL COUNTRY BANK

Country banks with deposits of $500,000 and under.
Average appropriation.....$480 a year.
Distributed as follows:

Newspapers	40%
Booklets, form letters	30%
Signs	10%
Calendars, blotters	15%
Programs (county fair, theater)	5%
Total	100%

A MEDIUM-SIZED COUNTRY BANK

Country banks with deposits of $500,000 to $1,000,000.
Average appropriation.....$750 a year.
Distributed as follows:

Newspapers	50%
Booklets, form letters	25%
Signs	15%
Calendars, blotters	10%
Total	100%

A LARGER COUNTRY BANK

Country banks with deposits of $1,000,000 to $3,000,000.
Average appropriation...$1,760 a year.
Distributed as follows:

Newspapers	54%
Booklets, form letters, and so on	20%
Signs	8%
Calendars, blotters	12%
Novelties	6%
Total	100%

A VERY LARGE COUNTRY BANK

Country banks with deposits of $2,000,000 to $5,000,000.
Average appropriation...$2,940 a year.
Distributed as follows:

Newspapers	44%
Booklets, form letters, and so on	20%
Calendars, blotters	10%
Movie cards	4%
Signs	12%
Novelties	9½%
Street cars	½%
Total	100%

A SAVINGS BANK

Here is the distribution used by a savings bank and trust company that appropriates $30,000 a year, this fund also providing for the operating costs involved.

The appropriation is expended approximately as follows:

Operating expenses	23¼%
Local newspapers	30%
Country newspapers	4%
Programs and donations	2%
Cuts, and so on	4%
Booklets	6%
Circulars, house organ and materials used internally	6%
Letters	1%
Postage (special)	1%
Signs	3%
Street cars	13%
Miscellaneous, electric sign	6½%
Total	100 %

A NATIONAL BANK

This is the way an Ohio national bank with deposits of $10,000,000 distributes its annual appropriation of $10,000. This bank does very little direct advertising and uses newspaper copy heavily, principally for the purpose of impressing upon the public its age and strength.

Newspapers	72%
Street cars	12%
Movies	4%
Direct advertising	4%
Booklets	3%
Calendars, blotters	3%
Incidentals	2%
Total	100%

ADVERTISING APPROPRIATIONS

and the complete results of it are assembled in an exhaustive report, "What It Costs to Run a Bank," also published by the A. W. Shaw Company. If you care to go more deeply into the subject, additional tested cost methods, plans, and systems used by banks of varied sizes will be found in another volume of this series.

A SUBURBAN BANK

Suburban banks of $500,000 to $1,000,000.
Average appropriation.....$610 a year.
Distributed as follows:

Booklets, form letters, circulars..	40%
Signs	20%
Calendars, blotters, and so on....	15%
Movie cards	10%
Newspapers	10%
Novelties	5%
Total	100%

A LARGER SUBURBAN BANK

Suburban banks of $1,000,000 to $2,000,000.
Average appropriation.....$820 a year.
Distributed as follows:

Booklets, form letters, circulars..	33%
Movie cards	25%
Signs	15%
Calendars, blotters, and so on....	10%
Newspapers	12%
Novelties	5%
Total	100%

A $5,000 APPROPRIATION

A trust company in the Middle West with deposits of about $5,000,000 spent on publicity $6,832.20 one year. This was not based on a definite appropriation. Publicity was used throughout the year but not on any exact basis. The bulk of the general advertising went for booklets, circulars and letters. This bank now limits its appropriation to $5,000. It has discontinued the use of programs. Since a definite sum has been fixed upon, the following distribution is made:

Newspapers	40%
Booklets, circulars	15%
Street cars	15%
Form letters	15%
Signs	10%
Miscellaneous	5%
Total	100%

A $25,000 APPROPRIATION

A large savings bank in Michigan with deposits of $30,000,000 appropriates $25,000 annually and distributes it as shown below. This bank uses signboards on buildings in the neighborhood of the wage-earning classes and on all the roads leading into the city. The signs are changed twice a year. It is aimed to have the newspaper and signboard copy of the same type.

Newspapers	30%
Signboards	30%
Calendars	30%
Booklets	5%
Novelties	3%
Theater programs	2%
Total	100%

A $15,000 APPROPRIATION

A savings bank in Ohio with deposits of about $12,000,000 spends in the neighborhood of $15,000 annually. This substantially is the distribution that has been made for the past five years: This bank sometimes calls in an advertising agency for assistance, but the amount spent with it varies between $1,400 and $3,500 a year.

Newspapers	60%
Street cars	20%
Form letters, booklets	15%
Incidentals	5%
Total	100%

ANOTHER $25,000 APPROPRIATION

The national banks, as a rule, apparently spend less than the trust or savings banks, undoubtedly because they appeal to a more limited class. Investigation also indicates that they do not advertise as heavily as the state banks, because of certain reactions of the national banking law. One of the most intelligently advertised national banks in the country (with deposits of $50,000,000) spends about $25,000 a year, divided as below. This advertising is designed to impress the personality of the bank upon the community. Since its business is primarily loans and discounts, it does not employ many of the mediums that are popular with the savings banks or trust companies.

Newspapers	65%
Financial journals	10%
Booklets, circulars	10%
Calendars, souvenirs	15%
Total	100%

how the money is spent. It is easier also to trace the results of the advertising.

Of a similar type is the plan used by another savings and trust company which finds that better results are secured when the appropriation is carefully distributed.

"The directors want to know all about the expenditures," says the head of this bank, "and I find they are always curious to learn how the money is used for advertising, especially when the amount requested appears to be large. I wanted $30,000 not long ago. This sum was larger than usual and in order to gain a favorable hearing, I mapped out the detailed outline below of just how I intended to spend the money. This outline gave the officers and directors a clean-cut idea of the campaign and helped to win their approval."

BUDGET

Total appropriation	$30,000

DIVISION BY MEDIUMS

(1) Local publications	$16,000
(2) Letters, booklets, souvenirs	7,500
(3) Signs, street car cards	4,500
(4) National publications	2,000
	$30,000

DIVISION BY DEPARTMENTS AND MEDIUMS

Financial Department

(1) Local publications	$ 7,500
(2) Letters, booklets, souvenirs	3,000
(3) Signs, street car cards	4,000
(4) National publications	250
	$14,750

Trust Department

(1) Local publications	$ 2,500
(2) Letters, booklets, souvenirs	2,000
(3) National publications	250
	$ 4,750

Bond Department

(1) Local publications	$ 2,000
(2) Letters, booklets, souvenirs	1,000
(3) National publications	500
	$ 3,500

Real Estate Department

(1) Local publications	$ 4,000
(2) Letters, booklets, souvenirs	500
(3) Signs, street car cards	500
	$ 5,000

Safe Deposit Department

(1) Letters, booklets, souvenirs	$ 1,000
(2) National publications	1,000
	$30,000

DETAILED SUBDIVISION BY MEDIUMS

(a) Local Publications

English dailies	$13,750
German dailies	1,000
Miscellaneous: (To include all donative advertising)	$ 1,250

(b) Letters, Booklets and Souvenirs

House organ, printing, 60M @ $0.022	$ 1,320
House organ, postage, 60M @ $0.01, art work and cuts	1,180
Pay envelops, 1,000 M	500
Souvenirs, 5M @ $0.10	500
Statements, 10M @ $12.50	125
Lawyer's diaries, 1¼M	400
Bond circulars, 10M @ average $20	200
Real estate catalogs, 2M @ $225	450
Safe deposit folders, 10M @ average $10	100
Postage, 40M form letters, stationery and labor	1,240
Booklets and blotters, 40M @ average $22.50 (art work)	1,485
	$ 7,500

(c) Signs, Street Cars, and so on

Street car space contract (every third car)	$ 3,000
Street car signs, 6M	600
Real estate signs	500
Wall calendars	400
	$ 4,500

(d) National Publications

Twelve Mediums	$ 2,000
Grand Total	$30,000

One state bank has deposits of about $4,000,000 and spends approximately $5,000 a year for advertising, distributed as follows: Newspapers, $750; signs, $500; booklets, $1,500; blotters, calendars, novelties, $1,250; form letters, $1,000. The bulk of this advertising is devoted to the savings department: While the accounts of the students are of doubtful value from the viewpoint of profit, the bank nevertheless makes a strong appeal for these as well as for the savings deposits of the community.

Any or all of these plans suggest methods that can be used in both large and small banks. An accurate distribution of the publicity expense simplifies the advertising task and usually brings more profitable results.

CHAPTER IV

SELECTING MEDIUMS AND PREPARING COPY

CARRIED away with the moderate success that his bank had enjoyed for 35 years, the president of a small Iowa bank of $1,100,000 deposits built one newspaper advertisement after another on its age and strength and general technical excellence.

This advertising in three years cost $5,000, but people paid little attention to it because it was written from the viewpoint of the man inside the bank and with very little regard to the man on the other side of the counter.

This sums up a condition that exists in many small banks. Advertising couched in banking terms accompanied by a mass of figures that seven out of ten men do not understand seldom produces satisfactory results.

When you sit down to write copy for the local newspaper, for booklets or for follow-up letters, these problems should be considered primarily:

What does your community want?

How does your service fit the community's needs?

How should you frame the appeal for new business?

How can you most advantageously interest and attract the people who are walking past your door?

Before the customer is willing to talk banking with you, it is necessary to awaken a feeling that your bank offers a service of advantage to him. He knows that the bank is a custodian of money, but the great majority of people know almost nothing about the services offered by the different departments of a bank.

So when it comes to the question of how the bank can really help him, that's a detail the average man has probably never considered.

What, then, should be the chief appeal for business and how should it be made?

When this Iowa banker found that his advertising policy was not pulling results, he tried out an entirely different plan. By personal inquiry at his desk and in the territory round about, he studied the field along the lines outlined in Chapter I in order to ascertain the strength and extent of his competition. The data thus gathered enabled him to estimate the possibilities for new business in the commercial, savings and safety deposit departments. Then it was easy for him to pick mediums and plan advertising which he felt would help him most to realize these possibilities. The final results of this work, as well as his apportionment of the $1,500 which he allotted for the campaign, are shown in Figure 10.

Within a year this method helped to increase the commercial accounts $168,000 and the savings accounts $284,000. The safety deposit department gained $38,000. The cost of this advertising was $1,800, or about $300 higher than the original estimate.

The stereotyped copy about capital, surplus, and undivided profits, along with the names of the officers and directors, which he had used for a long time, gave way to a new style of appeal. Instead of taking time and space to tell about the size and safety of the bank, the new advertising campaign made the community feel the loss and disadvantage of being without banking service. It was aimed to inspire and to persuade people to visit the bank and to open accounts. It avoided discussions of points like the security offered by the bank and the benefits of a savings or checking account.

This banker made a direct appeal through the news-

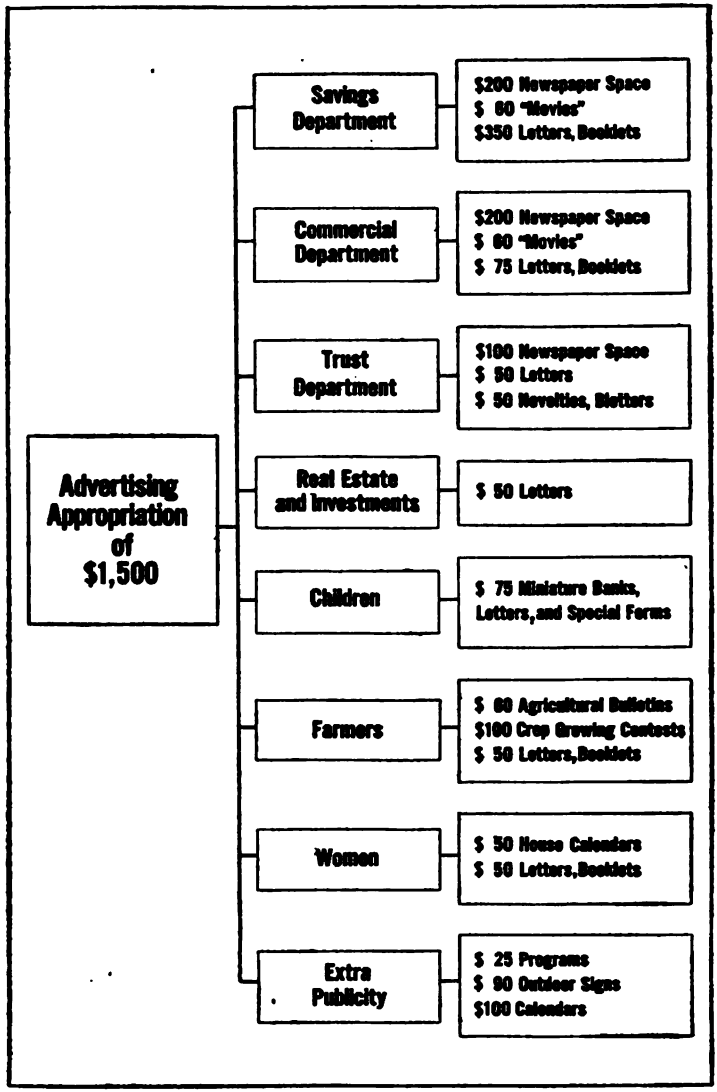


Figure 10: How one banker apportioned his advertising is shown above. The extra publicity, of course, brought the expense for the year above $1,700, but an increase in deposits of nearly $500,000 more than justified the increased expenditure.

IT IS OUR POLICY TO FOSTER CAREFULLY THE SMALL ACCOUNT AND THE YOUNG BUSINESS—FOR THEY ARE MOST IN NEED OF IT. THAT IS WHY A CONNECTION WITH THIS BANK IS DEEMED ESPECIALLY VALUABLE BY THOUSANDS OF GROWING CONCERNS AND WOULD BE EQUALLY VALUABLE TO YOU

CAPITAL, SURPLUS AND
UNDIVIDED PROFITS
$6,250,000

THE PEOPLES STATE BANK

OFFICERS

JAMES T. KEENA, President
JOHN W. STALEY, Vice-President
F. A. SCHULTE, Vice-President
JOHN E. BODDE, Vice-President
H. P. BORGMAN, Vice-President
R. W. SMYLIE, Vice-President
AUSTIN E. WING, Ass't to Pres.
E. T. CUDMORE, Cashier
CHARLES H. AYERS, Ass't Cashier
ENOCH SMITH, Assistant Cashier
A. H. MOODY, Assistant Cashier
CARROLL H. LAWSON, Bond Officer
GEO. T. COURTNEY, Auditor

Figure 11: Here is a newspaper display advertisement which conveys a distinct message. Note how boldly the name of the bank stands out on the light background, a style that individualizes all the displays used by this particular bank.

papers to nearly every prospect in the field and followed this up with letters which he signed personally and with interesting booklets similar to those outlined in Chapters VII and IX. Trade conditions in the community were featured in all the copy. One day, for example, the copy reminded the farmer of an unusually heavy shipment from the town creamery and at the same time emphasized the conveniences offered by the bank for financing dairying interests. Again, it told about the increased stocks of grain held in the local elevators and also described the activities of a small, local flour mill.

Again, it reached the commercial depositor with a suggestion about the influence of some timely business event like the passage of a tax law or the expansion of some public utility. It came to the June bride with an invitation to open a savings account. It appealed to the housewife, urging her economic importance as the buyer of more than 80% of the goods for the home. And it made its appeal as well to the graduates of the local schools, the fruit grower, the general farmer, the salaried worker, and the factory hand, in fact covered the entire field.

By supervising all the advertising the president of the bank employed his keen knowledge of the community to sweep the entire horizon of prospects. In each piece of copy the resources and liabilities of the bank and the number of years it had been in business were confined to an inconspicuous line, instead of being given big display type, and this has served the purpose well.

For this bank as for many others, the newspapers seemed to be exceptionaly strong mediums. Before considering the comparative value of the many different mediums, however, it is important to consider just what is meant by mediums, if for no reason than to obtain a clearer outline of what is to follow in Parts

II and III. In a broad way mediums may be considered as ways to advertise, and they embrace these general factors:

Daily newspapers—English and foreign
Local weekly publications
Weekly foreign newspapers
Religious weeklies
Financial publications
Publications of national circulation
Billboards—painted and posted
Street car signs
Electric signs
Personal letters
Booklets, circulars, folders, enclosure cards
Mailing lists
Blotters
Pay envelops
Theater programs.

There might be added also—

Personal solicitors
Savings banks
Novelties.

Now, the value of any or all of these mediums depends to a large degree on the location, size, and type of bank involved. It is difficult to boil down the capabilities of mediums into fixed rules. The mediums that are available to a bank in Michigan may not be available to a bank in Texas. What is available to a large bank may not be available to a small bank. The reasons for this are very evident. The large bank, for example, might be in a community where every possible form of medium would be available. The small bank, on the other hand, might be in a community that would have only one daily newspaper, or perhaps a newspaper published but once a week.

In any bank the medium must be selected with definite knowledge in mind of the exact function which

it is to perform. The use of any or all of the mediums listed in a haphazard manner increases expense and lessens the value of the advertising. When a medium is employed to fit squarely into some service the results are almost always satisfactory.

The newspaper, investigation indicates, is perhaps the most popular medium, no doubt principally because of the forces it consolidates. It provides rapid and effective local circulation. Since it carries items of interest to the whole community, it is therefore often used for exploiting the general services of the bank. Perhaps at times it is not valuable as at others for emphasizing special services, such as the safety deposit facilities, which appeal to small and limited classes, but there are scores of other mediums that can be used at such junctures, and methods for using them will be taken up in succeeding chapters.

HOW TO MAKE NEWSPAPER ADVERTISING APPEAL TO THE LARGEST NUMBER OF READERS

Changing the copy and the style of appeal often strengthens bank newspaper publicity experience indicates. By avoiding unusual words, long, involved sentences, and pretentious phrases, the advertisement's meaning is clearer at first glance. Vague generalizations, such as "The Strongest Bank," "The Best Service," and many others equally familiar, often mar clearness and usually can be eliminated to advantage.

Thus, bank newspaper advertising normally should economize the reader's time and attention. Since the eye must readjust itself for each size and variety of type, it is important to keep the copy distinct and uniform. Too much variation in the length of type lines strains the eyes, and irregular arrangement of the copy usually reduces the effectiveness of the display. Care, therefore, should be used in the selection of type styles and in making the layout.

A large savings bank in Michigan keeps these points clearly in mind. Of its annual expenditure for advertising of $15,000, about 80% is spent for newspaper space and the tested methods for handling advertising detail used by this bank will probably prove valuable in many other banks. The vice-president supervises the preparation of all advertising copy. All copy is written in series of 12 to 15 units at different times during the year. The vice-president also looks the proofs over, indicating style revisions and corrections. Then each advertisement in the entire series is designated with the date on which it is to appear and all are returned to the newspaper office. In this way the bank gains a direct and constructive appeal.

There is another decided benefit gained by this plan. This banker maintains uniformity of style and type in all his advertising by selecting from catalogs and from samples submitted by the printer the type faces, ornaments, and borders that he wishes to use. Practically all printing establishments have these catalogs and samples and are glad to show them.

Going a step farther, this bank always is careful to lay out the copy in an orderly way. Since the background on which the printing is placed is an important factor in determining its legibility, this bank secures the results it considers best by specifying black-faced type on a white background, thus bringing out the display boldly.

Probably the most important features of this plan are the facts that the copy is prepared in series and distinctive type and individual style are selected and specified. This method deserves careful consideration in every bank. Since it is simple and involves practically no additional expense, and because it furnishes a clean-cut plan for handling probably the most important factors of the campaign, the banker who follows it is almost always sure of gaining good results.

Figure 12: Here is an advertisement that explains the bank's policy in few words, but with an individuality that is striking. Note particularly the use of the heavy border.

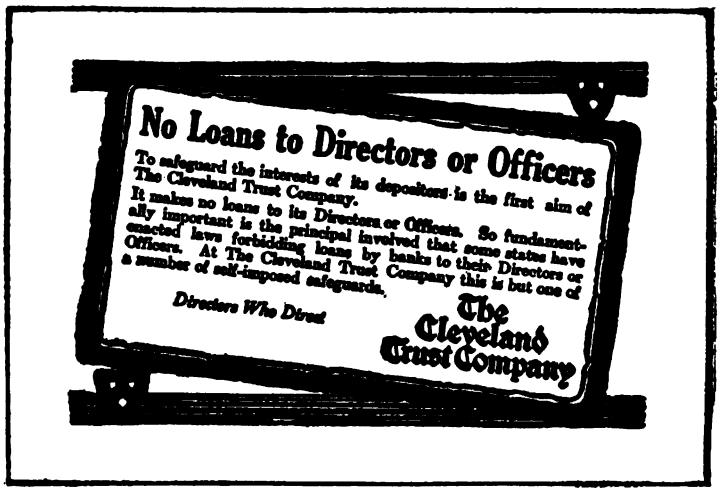


Figure 13: Here is shown another small display on policy which combines simplicity and brevity, but is forceful and novel in style. Note that the heavy black border and bold type idea are used here also.

How to Read a Bank Report

(1) "Preliminary"

In analyzing a bank's statement, it is important to bear in mind these facts:

First—That the liabilities of a bank are of two kinds: to depositors and to stockholders.

Second—That the assets are of three kinds: Those which can be quickly realized on; those of fixed maturity; and those more in the nature of investment, such as real estate for banking purposes, high-grade bonds, etc.

In our next advertisement we shall proceed to examine the "Liabilities" side of a Bank's statement, beginning with "Capital."

This is the first of a series of advertisements designed to show that a bank statement is a live bulletin full of facts of great practical interest to every depositor.

Report of American Trust Co. to the Bank Commissioner Jan. 13, 1914.

ASSETS

Cash	$2,251,[illegible].47
Demand Loans..	2,857,[illegible].51
Time Loans	10,852,[illegible].12
Investments	540,955.01
	$17,[illegible],850.11

LIABILITIES

Deposits	$14,[illegible].62
Capital	1,000,000.00
Surplus	1,500,000.00
Undivided Earnings	834,[illegible].48
	$17,[illegible],850.11

American Trust Company

50 State Street

BUNKER HILL BRANCH
CITY SQUARE, CHARLESTOWN

Note—These advertisements may be obtained in complete bound form. Write for booklet "How To Read a Bank Report."

Figure 14: Realizing that many prospects are unable to understand the ordinary bank statement, the American Trust Company undertook to educate them with "practical talks" in a series of newspaper displays. The "Preliminary" is shown above.

A plan of this type can be worked out just as effectively for smaller banks. Take, for instance, the case of a Wisconsin bank, the resources of which have risen from $296,617 in 1912 to $511,327 in 1917.

The advertising, which is prepared under the supervision of the cashier, is laid out in separate series and each series deals directly with some particular branch of the bank's service. By concentrating the publicity in this way, this bank finds that the best results are secured.

For example, March is the usual moving month for farmers in Wisconsin, and the bank takes advantage of this fact in bidding for business. Investigation indicates that 90% of the farm changes in Wisconsin occur in March and the month is usually considered the beginning of the farmers' fiscal year.

After carefully preparing a series of advertisements, all of which ran under the caption "The Starting Month" the bank went in strong for advertising, framed to appeal directly to farmers, during March and April. In one year these advertisements produced $75,000 in new business. They were written by the cashier whose thorough knowledge of local conditions, based upon a simple analysis of his field along the line of that described in Chapter I, enabled him to reach out effectively for new business.

HOW ONE BANKER USES DIFFERENT ADVERTISING METHODS TO REACH THE SAME CLASSES

"When I plan an advertising campaign I try to link all the forms of our advertising together," says the cashier of this bank. "Every year I check up on the territory by personal visit to most of the farmers and by constant personal inquiry into general business conditions. Any events that give promise of new business are put down in a book that I use exclusively for this purpose. In this way I keep track of what

is going on. This helps me to select the most effective mediums and it also guides me in writing the copy.

"My March campaign to get the business of the farmers consists of four or five newspaper advertisements, all written at about the same time. These are followed up with slides in the moving picture theaters, together with lobby cards appealing especially to the farmers, which are charged each week, and a letter, which I write myself, and which is sent to our mailing list of about 1,000 names."

A well known eastern banker has answered in a graphic way the oft-repeated question: "What do all these statement figures mean to me?" Since the reader usually is puzzled by the numerous items contained in the statement, this banker tied up the statement to the bank's service. He made the principal items the basis of a series of selling "talks" in the newspapers. The space used was the same size as that previously devoted to the colorless statement—type of appeal. The difference was in the copy.

In bold-faced type across the top ran the caption "How to read a bank report." At the bottom the signature of the bank stood out in equally bold type. The series ran in 12 advertisements over a period of six months. In the first appeared a "Preliminary," a general explanation of the bank statement; in the second "Capital" was clearly explained (Figures 14 and 15).

Each advertisement was numbered and attention was drawn to the fact that it was one of a series to appear in the newspapers.

In these advertisements the keynote idea was to emphasize in a human-interest way the protection that the bank gave to the depositors. As one of the "talks" phrased it, the capital, surplus and undivided earnings "would have to be entirely wiped out before the depositor could lose a dollar."

How to Read a Bank Report

(2) "Capital"

This is the second of a series of advertisements designed to show that a bank statement is a live bulletin full of facts of great practical interest to every depositor.

"Capital" shows to what extent the bank is liable to its stockholders for funds furnished by them to begin and conduct a banking business.

Ample "Capital" coupled with satisfactory service and efficient management produces earnings, a portion of which is paid to the stockholders who furnished the "Capital," the rest being saved and laid aside as "Surplus" and "Undivided Earnings."

These three items constitute a bulwark of protection to the depositor, for they would have to be entirely wiped out before the depositor could lose a single dollar.

In our next advertisement we shall consider "Surplus."

Report of American Trust Co. to the Bank Commissioner Jan. 13, 1914.

ASSETS

Cash	$3,251,690.47
Demand Loans .	2,857,590.51
Time Loans ...	10,552,624.12
Investments	540,955.01
	$17,602,850.11

LIABILITIES

CAPITAL	$1,000,000.00
Deposits	$14,268,053.63
Surplus	1,500,000.00
Undivided Earnings	834,796.48
	$17,602,850.11

American Trust Company

50 State Street — BUNKER HILL BRANCH CITY SQUARE, CHARLESTOWN

Note These advertisements may be obtained in complete bound form. Write for booklet "How To Read a Bank Report."

Figure 15: Here is the second of the series of advertisements calculated to educate prospects to read a bank statement readily. Note the simple but effective way in which "Capital" is explained. Advertising of this sort has brought worth-while results.

An Understandable Statement

We Owe to Depositors September 12, 1916....$11,443,322.36

A conservative banker always has this indebtedness in mind and so arranges his assets as to be able to meet all requests by his depositors for payment.

For meeting all such requests we have assets as follows:

I—Cash.....$4,170,955.85

This is either in our own vault or on deposit with other banks where we can get it on demand.

II—Demand Collateral Loans.....$1,372,518.01

This is the amount we have lent to people who have given us their notes promising to repay on demand and have secured us by leaving with us stocks or bonds of greater market value than the loans.

III—Real Estate Loans.....$2,650,815.58

This is the amount we have lent to people who have given us their notes promising to repay at the end of a period—usually five years—and have secured us by mortgaging real estate worth at least twice the loans.

IV—Bonds and Stocks.....$4,616,078.94

Four fifths of these, being bonds issued by the U. S. or municipalities or railroads or other corporations of first quality and dealt in daily, are immediately salable.

V—Advances to Trusts.....$480,933.77

When an estate is turned over to us in trust we hold ourselves in readiness to make advances for its better administration, provided always the amount advanced is well within half the value of the estate.

VI—Due from Departments.....$28,788.68

For example, in our rental department we may advance money for repairs and reimburse ourselves when the next rent comes in.

Total Assets with which to meet our Indebtedness.....$13,320,090.83

This Leaves a Surplus of.....$1,876,768.47

which becomes the property of our stockholders after the indebtedness to our depositors has been paid. It is a guaranty fund, composed of capital, surplus and profits, on which we base our invitation to this community to entrust to us its money in savings accounts or checking accounts or on certificates of deposit.

Fletcher Savings and Trust Company

N. W. Corner Pennsylvania and Market

Indianapolis

Figure 16: Prospects who often cannot understand the ordinary bank statements probably would have no difficulty with this one, prepared by an Indiana bank. Hundreds were distributed and gained much good will for the bank.

Other "talks" in the series were devoted to subjects like "Undivided Earnings," "Deposits," "Liabilities," "Surplus," and so on.

After the last advertisement was run the bank announced that the advertisements could be obtained in complete, bound form on application. About 1,500 requests were received from widely scattered sections of the United States. Several came from South America and Canada. One request was received from British South Africa.

THIS PLAN GOT $12,000 IN 20 DAYS IN CHRISTMAS SAVINGS CLUB ACCOUNTS

After publishing its statement in accordance with the law a trust company in Indiana adopted a similar plan. It picked out the main items in the statement, and interpreted the figures so the reader could understand them. This revised statement was run in the newspapers and then issued in the form of circulars which were passed out over the counter. They also were sent out to a selected mailing list such as that described in Chapter VI (Figure 16).

Of like nature is the plan of a small bank in northern Michigan. After printing the statement, as legally required, it issues a booklet in which is explained, by side notes, the meaning of each item.

A Pennsylvania banker uses his statement to develop some interesting individual points, as for instance, the number of depositors, the size of the average account, the daily number of depositors, the average size of commercial accounts deposited daily, and other figure facts. This same material is woven into personal "talks" showing how the bank's service can help all classes in the community. For example, the average savings deposit was found to be $196.85, and the bank encouraged the younger depositors to keep their accounts up to that mark. This gave them a definite

Xmas 50¢ Check Accounts - Christmas 191													
Date 191		Beeches	Times	Blade	German	Polish Courier	Enterprise Record	Commonwealth Our Own	Total Number	Highest Amount	Lowest Amount	Average Amount	Total Amount
Dec.	12	10							10	15.50	1.50	5.50	58.00
Dec.	14	8	11						19	26.00	1.50	4.26	81.00
Dec.	15	11	9						20	50.50	1.50	6.37	127.56
Dec.	16	10	3						13	26.22	1.80	4.97	64.08
Dec.	17	2	4	9					15	50.50	1.50	9.63	139.50
Dec.	18	3	1	16					20	5.00	1.50	2.06	41.27
Dec.	19	16	6	9					31	27.00	1.50	4.25	131.75
Dec.	21	15	10	12					37	25.50	1.50	3.72	137.75
Dec.	22	12	6	20	3		1		42	116.00	1.50	4.96	208.50
Dec.	23	8	12	15	1		1		37	13.95	1.50	3.02	111.95
Dec.	24	20	16	26			2		64	95.50	1.50	7.36	471.52
Dec.	26	51	14	28			/1	2	96	100.50	1.50	6.71	644.83
Dec.	28	21	22	30	1	1	2		77	500.50	1.50	12.56	967.67
Dec.	29	15	10	16					41	100.50	1.50	5.45	223.64
Dec.	30	47	18	32	2				99	45.50	1.50	4.13	409.44
Dec.	31	36	25	40			2		103	100.50	1.50	4.81	495.00
Jan.	2	90	29	56	2			5/63	244	500.50	1.50	9.70	2366.45
Jan.	4	122	42	102				/2	268	600.50	1.50	9.54	2562.19
Jan.	5	175	50	139			1/3	/18	393	1000.50	1.50	7.10	2793.36
(extra) Jan.	6	3	2	4					9	5.50	1.50	2.61	23.50
Totals		675	290	563	9	1	17/3	7/83	1638			7.42	12,059.80

Figure 17: One banker advertised his bank's thrift club exclusively in the local newspapers with excellent results, as is indicated by the chart shown above on which returns were checked.

"It is for us to be here dedicated to the great task remaining before us.....that government of the people, by the people, and for the people shall not perish from the earth."

The United States of America is entering the greatest war in history for the greatest purpose in history. Every man and every woman can save and serve the nation for this purpose.

Lending your money to the government is effective, honorable, and patriotic service.

The Liberty Loan of 1917 must be successful.

Do your part—*"that the dead who have given the last full measure of devotion shall not have died in vain."*

Guaranty Trust Company of New York

140 Broadway

Fifth Avenue Office **Fifth Ave. & 43rd St.**

Figure 18: Here is an example of dignified advertising which is designed to give general publicity to the bank and yet convey a forceful message. Note the effective use of white space offset by the heavy type.

goal toward which to work and they realized that the bank was keeping in touch with them.

Backing up the advertising with gifts of coins to be applied on new accounts when they are opened has produced a great deal of business for many banks.

Not long ago a bank in Ohio, finding that competition for Christmas savings business was very keen, decided to advertise "A 50-Cent Check" campaign in the newspapers. The bank offered to place a 50-cent credit to the account of each individual who opened an account. This plan got away from the usual Christmas savings club idea and developed more than $12,000 in new business in 20 days. The bulk of the opening deposits were greatly in excess of 50 cents, the average being $12.56.

A series of advertisements was prepared under the supervision of the president. In all the copy the Christmas spirit was the predominating feature and this was linked up to the 50-cent gift. The banker decided to use the newspapers exclusively in order to get a wide and general appeal.

After the campaign was started he drew up a chart showing the newspapers that were used, how many accounts were brought in each day as a direct result of the advertising, the highest amount deposited, the lowest amount, the average amount, and finally the total amount. When a new customer came in the tellers asked how they were induced to open the account and the answer was noted and later transferred to the chart.

This campaign opened on December 12 and closed on January 6 and 1,636 new accounts amounting to $12,059.60 were created (Figure 17). The total cost of the advertising was $2,096.77, making the pro rata cost $1.29. Of this amount $818 was credited to the new accounts in accordance with the 50-cent offer.

In offering money gifts to attract new business, the

TAKE COMMAND!

Young man, you're in charge of a campaign!

Defeat or victory; the result rests squarely upon your shoulders.

The army of days—days always marching by—are the troops at your command.

Each day is a force if you use it. Each day is a loss if you abuse it.

Your Mercantile Savings Account Book is the record of your campaign. It tells of your fight with life.

If each day shows a greater balance, you are winning—keep it up!

Mercantile
Trust Company
Eighth and Locust Streets

Member Federal Reserve System—U. S. Government Protection

Figure 19: This display was both timely and impressive. Note the manner in which the advertiser has first attracted attention and then followed with the appeal to save money. In all of its advertisements this bank makes use of the seal, and bold type for its name.

plan of checking returns used by this Ohio banker will be found helpful by almost any bank. When the banker offers extraordinary inducements it is, of course, essential to keep a close check on the costs and to watch the business from day to day so as to get an accurate line on the results, just as this banker did.

The most important point to bear in mind in advertising in newspapers or through personal letters and booklets is that the copy should be written clearly and understandingly. In order to do this effectively the banker must have intimate contact with the people in his field, he must know their banking and buying habits, their incomes, and finally, the service that will appeal to them, as stated in Chapter I. When he is armed with this information, usually he is able to pick mediums most likely to bring profitable results.

In most small banks, the investigation indicates, the president or the cashier can look after these details. But in many banks of more than $1,000,000 deposits, these officers are too busy to devote sufficient time to the advertising detail. By teaching a man how to take care of the different factors that enter into an organized plan the larger bank generally will find that the work is made effective at less expense than were an officer's time entirely taken up.

An Indiana state bank assigns the preparation of the advertising to a clerk who devotes a few hours each week to a check-up on the savings account, to determining the inactives and withdrawals, to keeping track of the commercial business, and to listing the prospects. This clerk also keeps the mailing list in order, stores the newspaper electros, files the advertising, and attends to like duties. He prepares all the newspaper advertising copy, but it is submitted to the cashier for approval before going out. Occasionally the cashier writes a form letter or lays out the plan for a folder or booklet. The clerk sees that they are

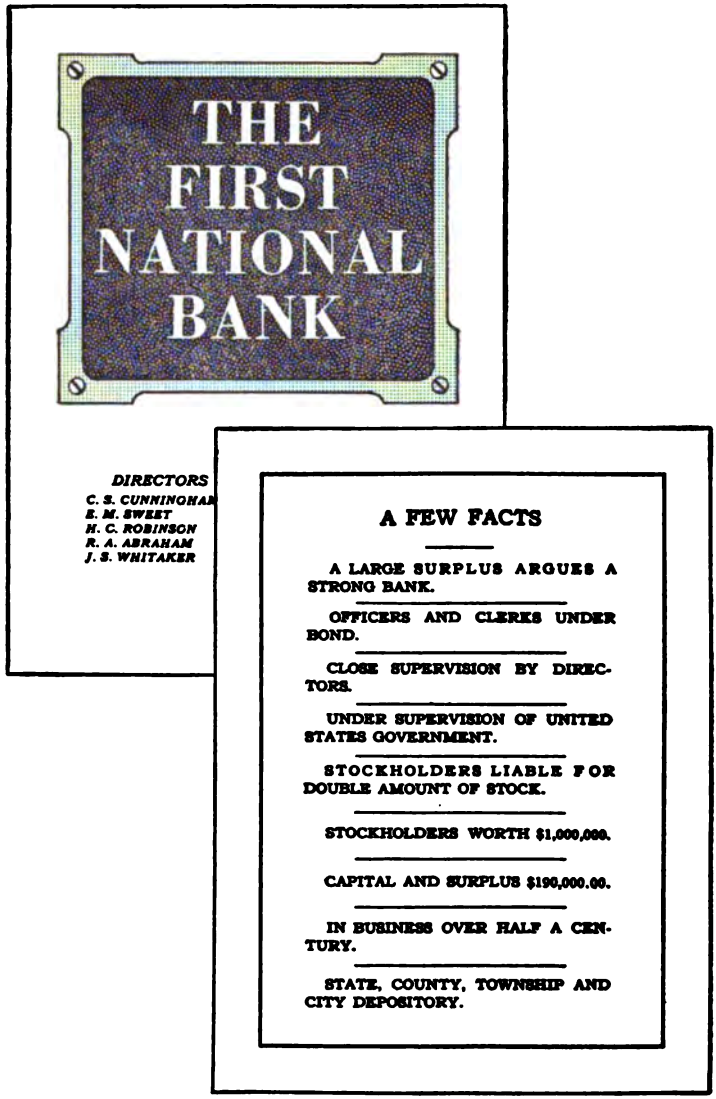


Figure 20: Here are shown the front and back pages of the statement folder used by a small bank. The name of the bank is embossed, making it distinctive in design. Note particularly the short, snappy appeals on the back page.

printed in an attractive style, delivered to the bank, checked up, and finally distributed.

By following plans like this, the larger banks also standardized their development methods so that much lost motion is avoided. Each medium can be selected for its true value and the purchasing of the newspaper space and other publicity items is reduced to the most economical basis. In still larger banks the work generally is in the hands of an assistant cashier or a new-business department, as described in Chapter XVI.

Carefully filing catalogs where they can be quickly referred to helps the head of a small Kansas bank to keep in close touch with prices on advertising supplies. This, of course, helps to save money and energy. When a new catalog comes in, the date is placed on the cover and it is then put into the files which are arranged according to the nature of the supplies. Office machinery, for instance, has one place, furniture and filing cabinets another, printing and advertising another, and so on.

One bank spends $750 annually on newspaper space and gets more space and better results by buying space on yearly large space contracts. One of the newspapers in the town, a daily, has a flat rate of 25 cents an inch. By contracting for 2,000 inches, however, the bank gets a rate of 20 cents.

There also is a weekly newspaper which has a wide circulation in the outlying farm territory. Its flat rate is 20 cents an inch, but on a 1,500-inch contract the rate is 15 cents. Another small weekly in a town 12 miles away has a flat rate of 18 cents an inch, but quotes a rate of 12½ cents on a 1,000-inch contract. This banker is able, therefore, to buy 4,500 inches for $750, where the same space would cost $980 at transient rates. The same profitable results usually can be secured by any bank that follows this plan.

Having selected the mediums to be used the next

step is to find out the advertising pull of each medium. Usually this is not as difficult as appears. The banker can get an answer to this question by having the tellers ask the new customers why they came to the bank. An inquiry like this showed a middle western banker that his new savings business for a year came from the following sources:

	Number	Approximate percentage
Sent in by old customers	1,172	27
Convenience of location	1,098	25
Reopened	619	14
Home savings banks	392	9
Gifts of pass books	339	8
Secured by employees	265	6
Transferred from commercial accounts	224	5
Secured by officers	105	2
Present customers (bond, trust, and the like)	87	2
Introduced at the bank by old customers	55	1.2
Transient	26	0.6
Sent by mail	8	0.2
Total	4,390	100.0

Since this banker determined in an accurate way the causes back of the increased deposits, it was easier for him to select mediums and to prepare copy emphasizing the various points brought out in the inquiry.

CHAPTER V

HOW TO HANDLE OUTDOOR AND SPECIAL ADVERTISING

THIS announcement painted in big letters on a signboard 5 feet long and 3 feet high, rested on an easel at the entrance of a small Illinois bank in the outskirts of a large city:

> SINCE THE LAST STATEMENT, THE DEPOSITS IN THIS BANK INCREASED $78,887.41. THANKS FOR YOUR COOPERATION.

"We noticed," said the cashier, "that the people showed interest in this announcement, and when they came in we gave them several pieces of short, snappy advertising matter. One of these, a card, is shown on the next page.

A large electric sign on the roof of the bank's attractive little building flashes a series of messages at night. It costs $725 a year to operate this electric sign and the cards and signboards cost $600 more.

The bank is in competition with several larger banks, and feels it cannot afford to advertise in the big daily newspapers of the city. It has therefore turned to outdoor publicity. In one year this helped to increase the deposits $235,000.

The problems faced by this bank form a condition that prevails in many towns, investigation showed, especially where the small bank is in the suburb of a large city or must compete with much larger banks.

Since advertising in the metropolitan newspapers often is felt to be too expensive, the small banker usually can solve his publicity problem by formulating a simple and comprehensive outdoor program.

Outdoor advertising is distinct in many ways from the newspaper advertising outlined in the previous chapter. The banker who would use the outdoor appeal successfully should be familiar with the broad difference between these mediums. Brevity and clearness in newspaper copy are, of course, the principal essentials, but it is even more important to have the outdoor message boiled down so that it can be seen and digested readily.

> CREATED BY THE PEOPLE OF YOUR NEIGHBORHOOD
>
> This bank is a community bank, built up by the patronage of you and your neighbors. Its officers and directors are your neighbors and the bank is under state supervision.

Originality and distinctiveness are of course, also of great importance. The copy normally must be concentrated upon attraction and stimulation. Reason and arguments on the billboard or on the signpost usually are not of much value because the space is limited and the reader's time brief.

To attract motorists generally, and especially farmers coming to town, a Michigan bank has placed illustrated signs along six of the main roads to the town. These signs are about six feet square, are placed two miles apart for a distance of eight miles, and cost about $400. In selecting locations for the signs the banker picked out landholders who were customers or stockholders in the bank and secured permission from them to use the land without charge. The signs, built of galvanized iron in a wooden frame, are erected on stilts and braces and painted in brilliant colors. One sign, for example,

shows an automobile party driving toward town, another shows a farmer admiring high class live stock, another shows the farm housewife looking over choice products of the orchards, and so on.

At the bottom of each of these signs is painted in bold lettering:

_____MILES TO BANK CORNERS CALL ON US WHEN YOU'RE IN TOWN FIRST NATIONAL BANK

Opposite the railroad station, a signboard 9 feet high by 12 feet long flashes an appeal to travelers. A group of pass books for the commercial and savings department is painted on it in bright colors and in both of the lower corners is a travelers' check, and an ordinary bank check, both bearing the name of the bank. "We'd Like to Have You Visit Us—First National Bank" in ordinary box car lettering is the simple caption on this sign.

At a point in the factory district which is passed daily by hundreds of wage earners on their way to and from work, another large signboard announces the bank as a safe depository for savings and the rate of interest paid.

Along a railroad is a billboard 12 feet high by 24 feet long belonging to a middle western national bank. The entire appeal is arranged on the board in a single line: "We solicit the accounts of young men," and below this appears the name of the bank. The only illustration is a painting of the Goddess of Liberty. This message strikes directly at every reader. In contrast to the strident claims and brilliantly illustrated signs of some of its competitors this board has a quiet neutrality of tone and appeal which relieves the eyes.

The surroundings of the outdoor sign should be

carefully considered. In buying this kind of advertising the banker will encounter many factors influencing the questions of price and values. It is a safe rule for every banker to follow, in planning for signboards, to determine as nearly as possible the number and class of people who pass the proposed location of the sign during the day. This usually can be ascertained by inquiry in the neighborhood and by observing the people who pass the proposed location over a certain period.

WHAT SHOULD BE CONSIDERED WHEN BUYING OUTDOOR ADVERTISING SPACE?

Sometimes advantageous ground locations in cities are impracticable because of the high rentals charged. A large bank in Illinois overcomes this difficulty by having its signs painted on the sides of the buildings where a clear view is assured or by having them erected on frames on the tops of low buildings. First, this bank made an examination of various locations in different neighborhoods of the city. The owners of the buildings considered suitable were then approached and if the rental was reasonable the location was contracted for, usually on a five-year lease, and the sign was then painted by a company with which the bank had a contract. This contract provided for new lettering and painting twice a year. All the copy used on the signs was prepared by an advertising agency which received a fixed sum for each sign. The agency also designated the general outline and coloring.

Many banks have taken advantage of opportunities for business in the evening life of towns and cities by using electric signs. After picking out a location at a junction point of the busiest streets in Indianapolis, a bank negotiated a lease with the owners of the property and erected a large electric sign on the top of a three-

Figure 21: The use of a trade-mark or seal to present in every appeal an easily remembered piece of bank personality, about which will gather in snowball fashion the bank's everyday record of service, has grown popular, as is here indicated.

Figure 22: The trade-mark of one city trust company has, in less than three years, become worth more than $5,000, according to the bank's own estimate. Here are shown a few trade-marks and seals which have accomplished as much or more for the banks they represent.

story building. The sign was designed in the form of a railroad semaphore and flashed the red and green arms alternately. Large illuminated letters told the rate of interest paid on savings accounts and impressed upon the observer the safety and security of the bank.

SOME UNUSUAL USES OF ELECTRIC SIGNS THAT HAVE KEPT BANKS IN THE PUBLIC EYE

A national bank in Toledo placed on the top of its 22-story building a great glass dome, floodlighted from the inside, that can be seen from any part of the city. This device, known as "The Second National Bank Light," shines like a ball of fire for miles.

A bank in Indiana floodlights its handsome new building of white granite. High power floodlights are placed on small buildings near by and the rays are thrown onto the bank building so that the structure stands out boldly against the darkness.

By placing an electric sign in the windows, at the entrance, or on the roof, a bank often emphasizes its personality wisely. A small Wisconsin bank, for example, located in the main street of a busy town, has two windows adaptable to attractive displays. This banker saw that the merchants all around him were capitalizing their window space in getting business and he decided to use his windows.

After removing two heavy wooden screens, that had shut out the public view for many years, the windows were rearranged at small cost for display purposes. Two small electric signs were placed in each window and over the entrance of the bank was suspended an electric sign with the name of the bank in big letters. With the lights turned on and the windows trimmed the display attracted a great deal of attention.

"Seven Easy Steps to Success" was the idea back of one of this bank's window displays in connection with

Figure 23: Street car displays of novel design and distinctive features usually attract the desired attention. They usually are printed is bright colors which stand out boldly against the backgrounds. Note how figures have been used here to impress the reader.

a savings club campaign. The smallest savings club, operated under a "Two-Cent Progressive Plan," was featured in the lowest step. On it was piled a mass of bright, new pennies. On each succeeding step the bank represented its seven other clubs in a similar way. The coins in each were of the denomination on which the weekly payments were based. This bank changed the displays frequently, made them simple and aimed always to get the human appeal in everyone, as in the step idea.

A large western bank which specializes on window displays, employs an expert window trimmer who changes the exhibit each day. This task requires originality and study, since each display must be tied up definitely to some branch of the bank's service.

Not long ago, for instance, the bank wished to advertise money to loan on real estate. The trimmer filled in about six inches of rich soil all around the edges of the window, which was 3 by 12 feet, and planted a row of small boxwood trees, making a hedge about six inches high. In the middle of the window he set up a small signboard. The bank's trade-mark was painted on the sign in bright red, so as to make it distinctive, and the words, "Money to Loan on Real Estate—Inquire Within." This display attracted hundreds of persons and increased the loans.

Grasping the war situation as the basis for an opportune direct appeal, another bank showed in its window a world time clock. The clock was accompanied by an exhibit of interesting folders, all under the caption: "Time to Start a Savings' Account, We Pay 3%."

"How a $1 Deposit Will Grow" was graphically shown in another window by plaster casts representing money. Different sized casts represented each annual stage of the regular deposit up to the fifth year, when it reaches $287.

Seasonal appeals such as fishing time, for example, often can be made the subject of attractive window displays. A western bank filled its window with anglers' pharaphernalia and in the center of the exhibit placed a card reading: "Save for a Vacation—Read our Booklet—How You Can Afford It." This display brought many people in to start accounts.

Here's the way this same bank made a successful appeal to automobile owners: It borrowed small models of automobiles and auto accessories from a supply house and put them in the window, thus giving it an "automobile atmosphere." Knowing that owners of cars are vitally interested in costs of operation, depreciation, and other car expenses, it compiled costs, with the aid of the local dealers, for the different classes of cars and placed them in the window on a large chart. With the chart was a poster indicating that a person owning a $1,200 car would have to save $2 for every $1 spent for gasoline if he wished to have enough in the bank to get a new car at the end of five years. This display attracted hundreds of autoists.

Next to newspaper and outdoor advertising, street car cards are found to be the most effective mediums. They normally should be used as an auxiliary to other forms of advertising, although the investigation indicated that in some banks they consume more than half the appropriation.

A bank in Chicago spent $7,000 of an appropriation of $13,000 on street car cards. The cards were devoted principally to the savings department and helped to increase the membership of the Christmas Savings Club from 6,100 to 13,300 in one year. The cards were prepared by an agency under the direction of the cashier. They were changed frequently, sometimes as often as each week.

In order to make street car advertising profitable,

Figure 24: Here is shown a seasonal window appeal that won. Hundreds of prospects, attracted by the display, requested booklets on how to afford a vacation. Many became depositors.

Figure 25: The above display, picturing "seven easy steps to success," was a big factor in getting savings club depositors. Each "step" to success was represented by a coin.

Figure 26. Here is a window display with a war angle which was as attractive as it was timely. Observe the manner in which the bank attracted attention to its savings department.

Figure 27: In making the above display the window was filled in with rich soil about six inches deep, and then a row of hedge planted around the edge. It proved an ideal display for pushing real estate loans.

the banker must observe many of the points that are essential in outdoor advertising. Street car cards catch the readers on their way to and from work, or on a shopping trip, and should remind them constantly of the advantage of the bank's service.

Since the cards are hastily read, and often at a distance, the copy must be brief, readable and attractive. The less lettering there is the more effective the card, and when catchy illustrations are used, its pulling power is often doubly assured. The use of color helps to fasten the appeal.

HOW ONE BANK USED AN ILLUSTRATION EFFECTIVELY ON ITS STREET CAR CARDS

Some time ago an Ohio savings bank and trust company ran a street car campaign and adopted a symbolical figure called "Mr. Four Per Cent" which was used on all the copy relating to the savings department. "Mr. Four Per Cent" acted much like a slogan in stimulating the appeal and his name was soon on many tongues. In pointing out the growth of deposits from $4,484,726.50 in 1907 to $12,266,406.18 in 1917, "Mr. Four Per Cent" was used with great effectiveness in driving home the story of the bank's growth. One card proved so popular that it was reprinted on blotters for distribution in the business district.

The effective use of illustrations on street car cards is also demonstrated by an Ohio national bank. After opening its new building the bank wanted a series of distinctive pictures for advertising the structure. The services of an artist whose etchings are celebrated were engaged. This artist was instructed to make sketches of the interior and exterior of the building. The bank advertised in the newspapers that the famous artist was to do this work and the announcement created a great deal of interest.

When the first drawings were completed they were

shown on the street car cards with a notice that copies of the fine pen-and-ink drawings could be obtained later at the bank in the form of a booklet.

"We gave the people a better idea of how these drawings looked by using the street car cards," said this banker, "and at less expense than if we had used the newspapers. As soon as the pictures appeared in the cars we began to get requests from all parts of the county for the series of drawings."

Along with the use of bold type and illustrations, graphs have been found helpful for conveying quick impressions to the reader. A simple graph will often prove effective in showing how the bank has grown. A street car card of this kind was used not long ago by a certain national bank and proved to be one of the best of the series in arousing public attention.

By using a lightly tinted outline of the capitol dome at Washington a large state bank conveyed vividly the idea of double protection—national and state—to depositors. This bank had just joined the Federal Reserve system, and after making an announcement in the newspapers, it turned to street car cards as a means of impressing the fact upon the public. The cards relating to the Federal Reserve system were changed frequently and in each one the factor of double protection was brought out sharply.

In all of these cards, it is worth while noting, the illustrations predominate and very little reading matter is used. This probably is the ideal policy because the imagery entertains the reader and the message is conveyed without tiring him.

A small bank just outside of St. Louis spends $300 a year for advertising through moving-picture slides; another suburban bank spends $200 for a small "movie card," together with advertisements on the stage curtain and on the theater clock. An Indiana bank in a town of 15,000 spends $60 a month for screen dis-

plays in the "movie" theaters, changing them every week. Thus, it is seen that the methods employed in this form of publicity vary widely.

Many country banks, for instance, used a hand-lettered glass slide telling of the bank's various services, its strength, and so on. Others rent syndicate slides, paying so much for each set and changing them at intervals of from twice a week to twice a month, and returning the old slides. In some small towns where there is more than one bank, the banks form joint thrift appeals and share the expense of the film advertising.

A MOVING PICTURE FILM THAT MADE A STRONG APPEAL TO FOREIGNERS

A Detroit bank not long ago put on a reel called "The Making of an American." It was the story of a Russian who came to Detroit. After securing work at an automobile plant, he enrolled in the company's English night school class. The reel pictured how he worked faithfully at his studies and won promotion. Near the end he is shown making his first deposit at the bank under the instruction of the cashier.

When the film was completed the bank advertised that it would be shown at a theater in the heart of the foreign neighborhood. Circulars were distributed from house to house telling the story back of the picture. This caused lively interest among the foreign workers and while the picture was on exhibition the theater was packed. Out of nearly every group who saw the picture new accounts were created.

In much the same way a small eastern bank exhibited a film showing several persons using the services of the various departments. This film was offered to the bank by a film production company which took care of its production. The bank then arranged with a moving picture proprietor to show it, paying a small

amount for the privilege. The bank advertised the film in the newspapers and by placards placed in the store windows.

How can I emphasize the location of my bank? This is a question that faces every banker, big and little. To make his business-building campaign successful, he must take definite steps to show just where the bank is located, how it can be reached most conveniently and, of course, prove its accessibility to the prospect.

Many banks occupy distinctive and elaborate buildings which often help to accomplish this result. But architectural superiority is not always of sufficient weight to impress residents of outlying districts. Exact details of the location are necessary in advertising if the banker expects to make his bank a familiar institution in the mind of the individual.

Small maps of the city or country, or a section of either, often focus the desired attention by showing the quickest and simplest way to get to the bank. Sometimes the use of maps of this type on a broader scale will convey the extent of a bank's operations and thus indicate its strength and connections. If, for instance, the bank is doing business with banks in several adjoining states, a map showing these states, with lines or arrows upon it pointing the location of the distant customer banks, corporations or individuals, often will impress the observer.

Take, for example, an Eastern bank which has customers in all parts of the world. It issued a series of booklets to a selected mailing list and in each booklet showed a map of some section of the world and described the nature and extent of the bank's business in that particular section. After the series was issued where the bank did business, a book, including a map of the world showing all these points was sent out. This was distributed as a souvenir. It also contained

many interesting facts concerning world business and was in constant demand for many months.

In a somewhat similar manner, a small bank in Pennsylvania makes attractive use of a map. This bank is in the country seat. The exact location of the bank is blocked out on a map of the county and a series of lines representing the main roads from all parts of the county are shown running into the bank. The map is used as the cover of a small and attractively printed folder which tells the number of main roads, how long it takes the autoist, or the farmer driving a wagon, to reach the bank from certain points, the location of the creameries in the county, the location of the flour mills, and how to reach them, the time tables of railroads running through the county, and a list of the main attractions to be found in the town.

These maps are sent out to a mailing list of 5,000 names and distributed over the bank counter. Much new business has been traced directly to them.

A banker in Illinois found that large numbers of automobilists from other cities took advantage of the good roads around his town to make week-end trips over them. He wanted to let them know about his bank so he purchased a large number of an "Auto Trails Map" on which the city of Joliet was shown conspicuously. These maps were found decidedly useful to motorists and there was a lively demand for them. The maps were given out at the bank and hundreds more were sent to the bank's mailing list. Accompanying each map was a card bearing the hopeful suggestion that the motorist would "Get on the Road Early Some Morning and Take the First Road to Joliet." The card concluded "We Shall be Glad to See You," and was signed by the service department.

As a means of capitalizing its geographical location a Chicago bank advertises that it is "On the Busiest Corner in the World."

Small maps on folders and postal cards, showing exactly the outline of the business district and indicating by an arrow the location of the bank, often make a most effective medium. Inquiry has shown that many depositors have been induced to use banks' service because of these maps. By using a picture of the bank building or an emblem on the circular material this idea often can be made doubly attractive. A Wisconsin bank had a small picture of its building printed on a circular in the spot where the name of the city should be given and from it lines were drawn to indicate the extent of its business.

PART II

PROFITABLE DIRECT ADVERTISING

AUTHORITIES AND SOURCES FOR PART TWO

Chapter VI. First National Bank, Bowling Green, Ohio; First National Bank, Connersville, Indiana; First National Bank of Evanston, Evanston, Illinois; Scruggs, Vandervort and Barney, St. Louis, Missouri; Northern Trust Company, Chicago; Mercantile Trust Company, St. Louis, Missouri; Harris Trust Company, Chicago.

Chapter VII. Harris Trust Company, Chicago; Columbus Trust Company, Columbus, Ohio; Bank of Evansville, Evansville, Wisconsin; Cleveland Trust Company, Cleveland, Ohio; First National Bank, Youngstown, Ohio; Cheboygan State Bank, Cheboygan, Michigan.

Chapter VIII. Bluefield National Bank, Bluefield, West Virginia; Northern Trust Company, Chicago; Utica Trust and Deposit Company, Utica, New York; Peoples Loan and Trust Company, Rushville, Indiana; Harris Trust Company, Chicago; Union Trust Company, Pittsburgh, Pennsylvania.

Chapter IX. Hyde Park State Bank, Chicago; First National Bank, Champaign, Illinois; Union Trust Company, Detroit, Michigan; German-American Trust and Savings Bank, Los Angeles, California; First National Bank, Martinsville, Indiana; Peoples Savings Bank, Pittsburgh, Pennsylvania; Union Trust Company, Chicago.

Chapter X. Citizens State Bank, Jewell, Kansas; Woodlawn Trust and Savings Bank, Chicago; Hibernia Bank and Trust Company, New Orleans, Louisiana; Fidelity Trust Company, Kansas City, Missouri; Bankers Trust Company, New York City; First National Bank, Chicago.

CHAPTER VI

BUILDING A LIVE MAILING LIST

DEPOSITS of a national bank in the South increased $493,000 in five months as the result of a mail campaign in which a city list of 7,000 names and a country list of 3,000 names were circularized every 30 days. Of this amount, $268,593 was derived from persons whose names were on the lists, and every cent of the total came from the sections toward which the advertising was directed. More than 65% of the new business came from the rural districts.

In preparing the country list the banker offered postmasters and rural carriers 40 cents a 100 for the names of school teachers, ministers, secretaries of fraternal organizations, chairmen of building committees, and young men and women who were just starting to earn money. There was less than 2% change in this list during the first six months it was used.

The city list was secured from the retail credit men's association, city and telephone directories, and the factory payrolls, aside from the names furnished by officers and clerks of the bank. The names in both lists were arranged geographically, vocationally and alphabetically. They were then divided into prospects and customers.

The prospect list was divided into commercial and savings sections. To the savings prospects literature was sent every 30 days for six months, after which it was sent every 60 days to half of the list one month and to the other half the following month. When first

class postage was used the letter was sent over the signature of the president or a vice-president.

Since this chapter has to do with the handling of lists, and not the writing of letters, it will mention but not quote or minutely describe the letters it refers to. Another chapter takes up the actual writing of letters.

After getting these names it was decided to send letters to women as well as to men. By checking over the commercial and savings department lists the bank was able to determine the number of women who might be interested in the bank's services. Heath, Roe & Co., for example, might have a large commercial account, but the examination of the books might reveal that none of the women relatives of the members of the firm had accounts at the bank. By personal inquiry, usually through a solicitor, the names of the women in the families were obtained and were placed on the list. In much the same way the lists of other departments of the bank were checked.

It is important to go over the lists continually and check one department's against the others'. When this is done definite and valuable leads almost always are created and many unproductive names are eliminated.

The advantage of a close and consistent examination of this type is that it strengthens a live mailing list and at the same time prevents the loss caused by duplications or careless mailings. If, for example, there is 5% deterioration on a list of 8,000 names, caused by death, removals, and so on, and a bank sends out first class mail to it without considering this shrinkage, it, of course, stands to lose between $10 and $12 on one mailing on this item alone.

With their all-embracing personal service, banks perhaps have a wider range for direct advertising than many other businesses. The value of a carefully selected list is relatively as great in the country bank

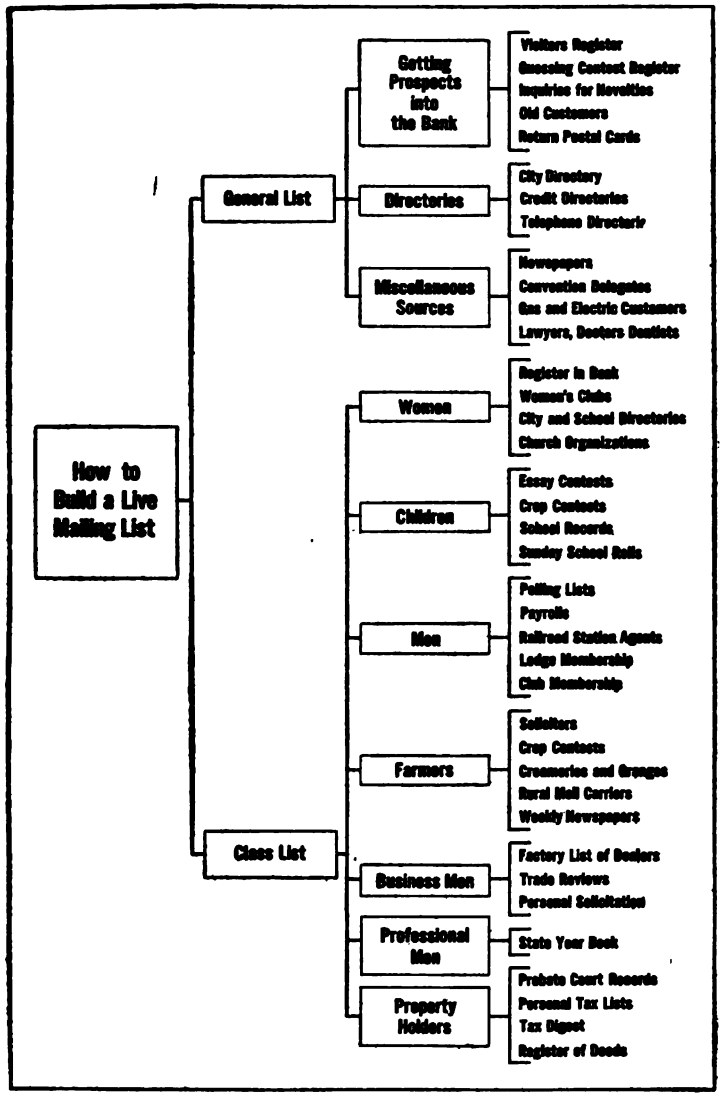


Figure 28: A classification of sources such as is shown here has helped many progressive bankers to build live mailing lists, which almost invariably have brought hundreds of new customers to the bank and helped to cut down mailing wastes as well.

as in the city bank, where often the list is the basis for many profitable appeals. To build a list that will produce business the banker first must follow methods like those outlined in Chapter I; he must know his field. He must know the extent and character of the competition and the condition of business in his own neighborhood.

HOW ONE BANKER BUILT A LIST THAT DEVELOPED 15% IN NEW FARM ACCOUNTS

Sometimes there is a temptation among some bankers to overlook the importance of these points and to abide by guess work and general acquaintance. Here is a pitfall that yawns for every banker in building an effective mailing list, and the only way to avoid it is by keeping an accurate check on the accounts, as previously outlined, by developing every possible source, as indicated in Figure 28, and by intimate knowledge gained through actual contact with conditions in the territory.

When a new directory, showing both city and rural residents, was issued in a city of 15,000 people, the president of a state bank used it in compiling a list of farmers who were assessed on property of $1,000 or more. He obtained the property valuation figures from the tax lists.

A campaign with form letters and booklets brought an increase of 15% in farmers' accounts in three months.

This was continued at intervals of three months including "corn money" and "wheat money" times, these being the localized terms for periods of the year when the farmers are paid for these crops. At the time this volume was in preparation this banker was getting ready for another similar campaign, in which he planned to use small books on farming subjects in addition to other direct advertising matter.

It is almost always possible to obtain the names of

farmers in this way. However, if no directory giving the farmers' names is issued, all of the information usually can be obtained from the county recorder's maps or tax lists with but slight difficulty.

After the county assessor makes up his annual assessments record, a national bank in an Ohio city of 5,000 employs a man to go to the court house and copy the names of the farmers, together with the assessed valuation of their real estate and personal property. Typewritten lists of these names are kept on hand by the bank president, who frequently sends out personal letters to them.

The problem of getting lists that will pull business is of course more complicated with large banks. Plenty of lists can be secured from concerns that make a business of compiling them, but it is always necessary to determine if they will serve the bank's purpose.

After they are purchased they should be checked against any lists already on hand so that loss from duplications, inaccuracies, and the like can be eliminated.

Obviously every bank encounters certain individual problems in selecting lists, but nearly all banks employ the same fundamental methods in reaching out for new business. For example, all have a clientele of friends who can furnish names; there are club lists, tax lists, and the employers and employees in the stores, offices, and factories. School and trade and professional directories also are available in most cities.

In campaigning for savings accounts many banks have obtained worth while lists by canvassing the offices and stores within a certain radius of the bank. When circularized regularly these lists usually have produced satisfactory results, even though the persons solicited lived in outlying districts and were within easy range of solicitation by banks in those districts.

A national bank in a suburb of a large, middle western city employs a man to report births, weddings

and new residents. This information is placed on cards, classified and indexed and then transferred to a mailing list. This list is circularized with letters and booklets every month. In one year more than 40% of the people listed became customers of the bank as a result of this mail solicitation, and business of about $20,000 was created. When there is a birth the parents are asked to open an account in the name of the little one. The man who makes these reports does not devote his entire time to the work. He receives a commission on every new account that is opened.

DO YOU GET THE FULL COOPERATION OF ALL YOUR EMPLOYEES IN BUILDING A MAILING LIST?

In addition to getting lists from outside sources, such as the rural mail carriers, country newspaper subscription lists, and mailing-list compilers, a bank in the east obtains many valuable leads from its officers and other employees. For example, a list of prospects for trust accounts was obtained in a special campaign in which every person in the institution participated.

The president sent a letter to all members of the staff and asked them to send him the names of people they thought might be interested in the services of the trust department. In this way the bank built up a live list of about 4,000 names in less than six weeks. Before being put to work the list was carefully inspect ed by a special committee of officers, and as nearly as possible it was boiled down to a productive basis. The list was especially live since it contained the names of persons who had friends working in the bank. Direct advertising to this list was supplemented by personal solicitation.

A small bank situated on the second floor of a large department store in the South, and conducted by the store management, has compiled mailing lists from lists of credit customers of the store. School teachers

are among the best patrons of the store, so additional lists are secured each year from the school directory. Letters are sent to all the teachers once a month, usually a few days before pay day. These letters usually bring many teachers to the bank. One pay day 273 teachers cashed pay checks totaling $40,000, of which approximately $20,000 was left at the bank.

An old bank in the business section of Chicago has developed an extensive list chiefly through customers informing officers in the various departments of people they believe are likely prospects. The customers continually are encouraged to get other customers. As a rule its customers can give a bank accurate information about a prospect's banking connections and the bank then can make the appeal for account doubly effective.

YOU CAN BUILD A PRODUCTIVE MAILING LIST AT SMALL COST WITH THIS PLAN

Probably the most inexpensive, and at the same time the most productive, lists in the large banks are secured from lists of customers of the various departments. For example, a man may be a commercial customer but have no savings account, or he may rent a safety deposit vault and have no account.

The lists are easily obtained by checking one against the other and daily reports help to keep them correct.

After installing new safety deposit equipment a large bank in the west obtained lists of prospects in this way which, when circularized regularly, brought new business amounting to $1,400 a year. Form letters and booklets were sent to a list of 8,000 every 30 days for three months. Personal solicitation followed, and then the campaign was renewed with letters.

In many banks lists of this type are called "interdepartment" lists. A large bank in St. Louis has 30,000 names on a list of this type which is circularized

for savings accounts. This includes letters, circulars and booklets. In one year more than 1,000 accounts were produced from this list. New names are continually added to the list by checking the names of new customers in other departments.

The "service" list, consisting of 10,000 names of both general and specific customers and prospects, is circularized regularly with literature. The house organ sending to customers has served to hold their interest and has attracted many prospects. The prospects names, to which the house organ is sent are on a selected list,which the officers have decided would respond more readily to the house organ's appeal and the literature on service than to any other appeal.

Still another list consists of 5,000 names of people having high credit ratings, good sized assessments for real estate or personal taxes, or who are officers of strong corporations or firms. The names on this list receive advertising matter about the commercial department, trust department, bonds and investments, and safety deposit service. All of these lists are revised from the latest issue of the city directory and telephone book.

By checking the names of depositors or customers in the different departments usually it is easy to get a list of names that can be used effectively in a special mail campaign. This is especially true of large banks having bonds and other investment securities to offer.

An examination of the savings department of a large trust company revealed 5,000 persons as logical prospects for a bond-selling campaign. A list of them was combined with a list of regular investors and was circularized with letters, booklets, and circulars. Returns were checked daily for 30 days and it was found that 40% of the savings depositors took advantage of the opportunity to invest a part of their savings in bonds.

Often the bond department furnishes valuable lists of prospects for trust accounts. For example, one western bank selected a list of 500 of its bond investors and sent them a series of letters soliciting trust business.

The results were surprising. Many of the bond buyers declared they had not known of the bank's fine trust facilities, and some were quick to take advantage of this service. One account of $160,000, for example, came from a business man who was impressed with the value of trust service largely by the bank letters.

In selecting the list for this campaign, the bank removed the names of all individuals whom it was thought might resent solicitation, and also those who might not have much need for trust service. This careful selection and revision brought the list down to a business-pulling basis.

MANY BANKS USE THESE METHODS TO GET MAIL OUT TO THEIR LISTS QUICKLY

Investigation showed that in the majority of banks using direct advertising, the names of commercial account prospects are kept on addressing-machine plates, while names of savings account prospects are kept on cards. In many banks the commercial list is circularized more frequently than any other and the use of address plates reduces expense.

A large national bank in the Middle West uses an address plate list in sending a monthly financial letter to a list of 5,000 names, comprising commercial depositors, bond customers, and country bank correspondents. The lists are arranged in alphabetical order and divided so that distinction is easily made between city and country customers, prospects, and active and inactive accounts.

Classifications of this sort, as well as classifying individuals by their vocations, enables a bank to con-

centrate its advertising. The savings prospects afford the greatest variety of classifications, of course, and are open to the widest appeal.

But in order to make use of these classifications, the bank must have an organized system. In some banks the different classes of prospects are kept in separate files, while in others they are arranged in one file. The names in both systems are kept in alphabetical order. The value of either system is measured by the classification and the regularity and frequency of mailing.

Prospects for savings accounts in one large national bank are kept in a composite file. Each individual is classified according to his vocation, and this is indicated by tabs (Figure 29). Miscellaneous classifications are placed on white cards, while commercial customers who are also prospects for savings accounts are on blue cards, and known owners of stocks are on yellow cards. In this way it is possible for the advertising manager easily to circularize the entire list at one time or to take any one class out without disturbing the other files. In either case the tabs permit a stenographer conveniently to find the names to be copied on envelops.

On each card is written the name and address, business, and bank connection of a prospect. When advertising matter is sent out the date, amount sent, and remarks are written on the card. On each card is space for the date an account is opened and the amount, the date closed and the reason.

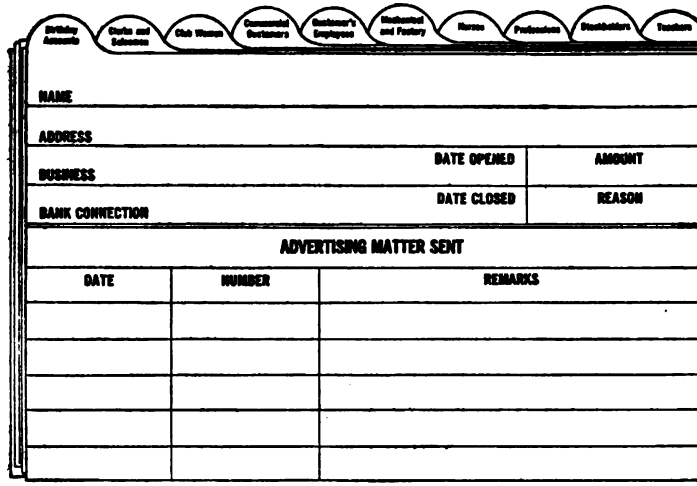
A national bank in Ohio classified its lists in much the same manner. When a thrift club was started the advertising manager went through his lists of savings prospects and selected 5,000 names of people whom he believed were most likely to open small accounts. The names also appeared in the card index with notations concerning the prospect's employment,

probable income and other data. The list represented several different classes, including laborers, clerks, and children. Both letters and circulars were sent to the list every 30 days for 3 months, with the result that 400 new accounts were opened. This campaign cost the bank approximately $270.

A large eastern bank has an extensive variety of lists classified according to the bank departments and also according to vocations of customers and prospects. It keeps each one on cards in separate drawers in a large cabinet. There are lists of school teachers, mechanics, lawyers, farmers, real estate prospects for loans, fur storage, safe deposits, trust accounts, investments and so on. Names of all customers are also kept in a master file, in alphabetical order and are revised daily by a special clerk who watches the growth of the accounts, and notes if the patrons use the service of more than one department. A special list is provided for inactive accounts.

HERE IS A PLAN FOR CLASSIFYING CUSTOMERS THAT REDUCES POSTAGE WASTES

Names of all prospects as well as customers are also kept in this master file, all on the same kind of cards. These are provided with tabs as shown in Figure 30, the tab indicating the department of which an individual is a customer. When a prospect opens an account the name is taken from the master file of prospects by the clerk in charge of the file, and placed in the customers' file. Any data that is required usually can be recorded on the back of the card. If an account is closed this is indicated by a small red, metal signal. This system makes it possible for one department easily to solicit business from customers of other departments. The tabs indicate the following departments: Savings, checking, certificate of deposit, trust, loan and safe deposit.

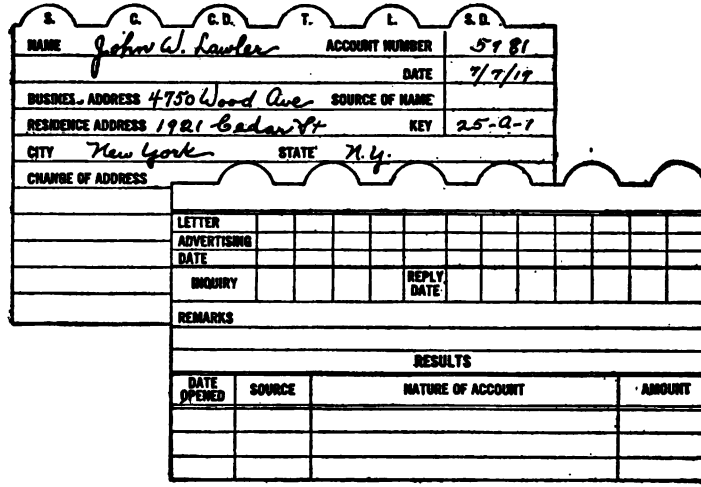


NAME			
ADDRESS			
BUSINESS		DATE OPENED	AMOUNT
BANK CONNECTION		DATE CLOSED	REASON

ADVERTISING MATTER SENT

DATE	NUMBER	REMARKS

Figure 29: The tabs shown on the cards have facilitated the work of one bank in classifying lists of prospects for the savings department. The cards are kept in a composite alphabetical index.



NAME	John W. Lawler	ACCOUNT NUMBER	5981
		DATE	7/7/19
BUSINESS ADDRESS	4750 Wood Ave	SOURCE OF NAME	
RESIDENCE ADDRESS	1921 Cedar St	KEY	25-A-1
CITY	New York	STATE	N.Y.
CHANGE OF ADDRESS			

LETTER												
ADVERTISING												
DATE												
INQUIRY					REPLY DATE							

REMARKS

RESULTS

DATE OPENED	SOURCE	NATURE OF ACCOUNT	AMOUNT

Figure 30: A combination card which has saved time, labor, and expense for a large eastern bank is shown above. It has helped to keep an accurate check on both prospects and customers.

Under the head of "Source of Name" is indicated from what list the name is derived. It also enables a bank to check up and discover which sources brought the largest returns. The headings marked "key" are used in analyzing customers.

To illustrate: Every person opening an account over the counter comes in for scrutiny by the new-account teller, who indicates the result on the card as, for example, "25-A-1," which means 25 years old, an American of first class intelligence; "25-N-2" means 25 years old, negro, second class intelligence; "25-C-3" means 25 years old, Chinaman, cannot read or write the English language. Thus "25-A-1" is entitled to all circular matter issued by the bank, "25-N-2" is to receive only certain kinds, and "25-C-3" receives none.

When an account is opened in the name of a child the age is given and the initial "J" is used to indicate "juvenile." Through this key the bank is able to regulate the sending of its mail matter in an intelligent manner, thus avoiding waste of postage.

To avoid losses in connection with changes of address and return mail, every employee of the bank who comes in direct contact with customers in the line of his work is furnished with a package of "change of name or address" forms. The employees are instructed to fill out a card in detail when a change of address is received from any source. These cards are sent to the advertising department every day and the changes are made the next day on the master file as well as on the addressing-machine lists.

That each department also may receive a notice of these changes and correct its individual files accordingly, the names with the corrections are listed on a large green daily report sheet (Figure 31). Under the head of "savings accounts" the number is given and the other departments are indicated by stars.

DAILY REPORT OF CHANGES OF NAMES AND ADDRESSES

PLEASE MAKE CHANGES PROMPTLY ON ALL YOUR RECORDS

NAME	NEW ADDRESS	OLD ADDRESS	SAVINGS	COMMERCIAL	C/D	LOAN	TRUST	BOXES
Adams, W. J.	1221 West Ahead	30 Kenwood St		✓				
Ioral, Chas.	100 Mason St.	Park Manor	✓					

Figure 31: This form gives the advertiser an accurate check on all changes of address and it has resulted in a substantial saving by preventing depreciation in mailing lists.

ATTENTION OF BOOKKEEPERS

Statement mailed to_____

Address_____

Has been returned from the Post Office undelivered. Please discontinue address until further notice.

ADVERTISING DEPARTMENT

Initial and return promptly.

Figure 32: Here is shown a card that enables the advertising department to cooperate with the bookkeeping department to the advantage of both, as well as to save money for the bank.

Each department receives a copy of this report and initials its receipt on the original, which is filed by the advertising department.

All monthly statements undelivered by the post-office are returned to the advertising department and a card marked "Attention of bookkeepers" (Figure 32) is made out and sent to them. This avoids repetition in mailing statements to an incorrect address, thus saving both time and postage.

This bank endeavors to have on file both the residence and business address of all commercial customers. After mail is returned from the business address a form letter is sent to the residence. When a new account card is filed and it is found that the same name is already in the file, but under a different address, a letter is sent to the new customer asking whether he ever resided at the address given on the old card. Thus the advertising manager makes sure that there is no duplication of names.

Continual revision of mailing lists in this way will enable any bank to keep its files up to the minute, save labor, time, and expense, and keep it in constant touch with the prospective customer. However, in the case of savings prospects, considerable allowance must be made for waste. In large cities many of the small depositors move frequently and if the lists are not checked up closely and often a considerable loss may result.

A national bank in Illinois one year mailed form letters to a list of 5,000 persons who had closed accounts within the last three years. Approximately 2% of these letters came back, indicating that the prospects had moved, or had given wrong addresses when the accounts were opened.

While the main object of this campaign was to get business, the results enabled the advertising manager to eliminate about 1,000 names which were

causing a loss of about $30 a year in stationery alone.

A card soliciting the correct address of customers enabled this bank to revise the lists effectively. These cards were placed on counters in the lobby and also handed out to customers. After being filled in they were turned over to the advertising manager.

To sum up, lists are like gardens in a way. They require intelligent cultivation if they are to yield the best results.

CHAPTER VII

PLANNING AND WRITING ACCOUNT-GETTING LETTERS

WITHIN 30 days after a form letter was sent to 10,000 customers of the savings department of a western trust and savings bank, 22% of the list added more than $30,000 to the deposits. Each of these depositors had a balance of less than $100. All of them received home safes when they opened their accounts and how best to use the safe was emphasized in the letter.

The campaign was conducted by an assistant cashier, who found by checking the savings account ledger that the majority of the smaller accounts were inactive for periods of six months or more. Many of these accounts were those of new customers and it was decided that direct communication was necessary to stimulate them.

"We now follow up our home bank depositors regularly," says this banker. "If the depositor does not call at the bank within two months after taking out a home safe we send him a letter. He is sent a letter once every three months thereafter containing a simple suggestion for saving and encouraging him to make a beginning. We find this plan a practical way for making accounts profitable."

One of the letters referred to follows:

Dear Sir:

Just what success are you having with the home safe loaned to you? Perhaps you have

not saved as much as you had hoped and this may be the reason we have not heard from you.

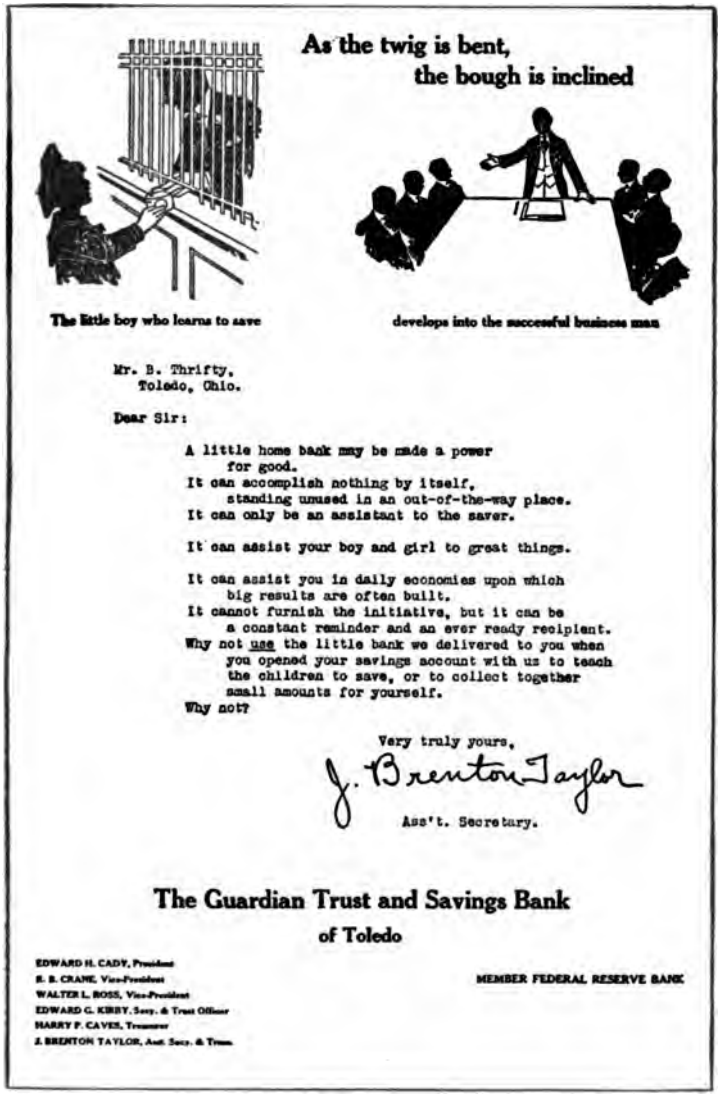
Almost daily we are asked if it is necessary to fill a home safe before bringing it in to have the contents counted and the amount credited in the pass book. In every case we have recommended that the safe be brought in at frequent intervals, no matter what may be the amount saved. Doubtless you can see how this will result in material benefit to you, when we explain that interest begins only from the date the money is deposited here.

Since we give to small deposits the same careful attention as to larger amounts, let us suggest that so long as you have saved something, it is enough to bring in and place to your credit at interest.

We wish to assure you that your patronage is desired by this bank and that whenever you call, you will receive our best attention.

A similar plan caused an Ohio banker to send a letter to a list of 6,500 savings depositors who had been supplied with small banks. The letter was short, snappy, and illustrated (Figure 33). It was sent under a 2-cent stamp and signed by the assistant secretary. In two months 70% of the accounts showed increases.

Whether a bank has used direct advertising for a long time or whether it is just starting to use it, a careful report of the activities of each department by a regular check of the books is desirable. From such a report it usually is simple to determine which branches of a bank's activity need advertising bolstering. Investigation revealed that many banks examine the ledgers and lists at regular intervals to find out just what depositors should receive letters. For example, a trust company in the Middle West checks up the books every three months and a tabulated report is sent to the advertising manager. This report includes



As the twig is bent,
the bough is inclined

The little boy who learns to save

develops into the successful business man

Mr. B. Thrifty,
Toledo, Ohio.

Dear Sir:

A little home bank may be made a power
for good.
It can accomplish nothing by itself,
standing unused in an out-of-the-way place.
It can only be an assistant to the saver.

It can assist your boy and girl to great things.

It can assist you in daily economies upon which
big results are often built.
It cannot furnish the initiative, but it can be
a constant reminder and an ever ready recipient.
Why not use the little bank we delivered to you when
you opened your savings account with us to teach
the children to save, or to collect together
small amounts for yourself.
Why not?

Very truly yours,

J. Brenton Taylor

Ass't. Secretary.

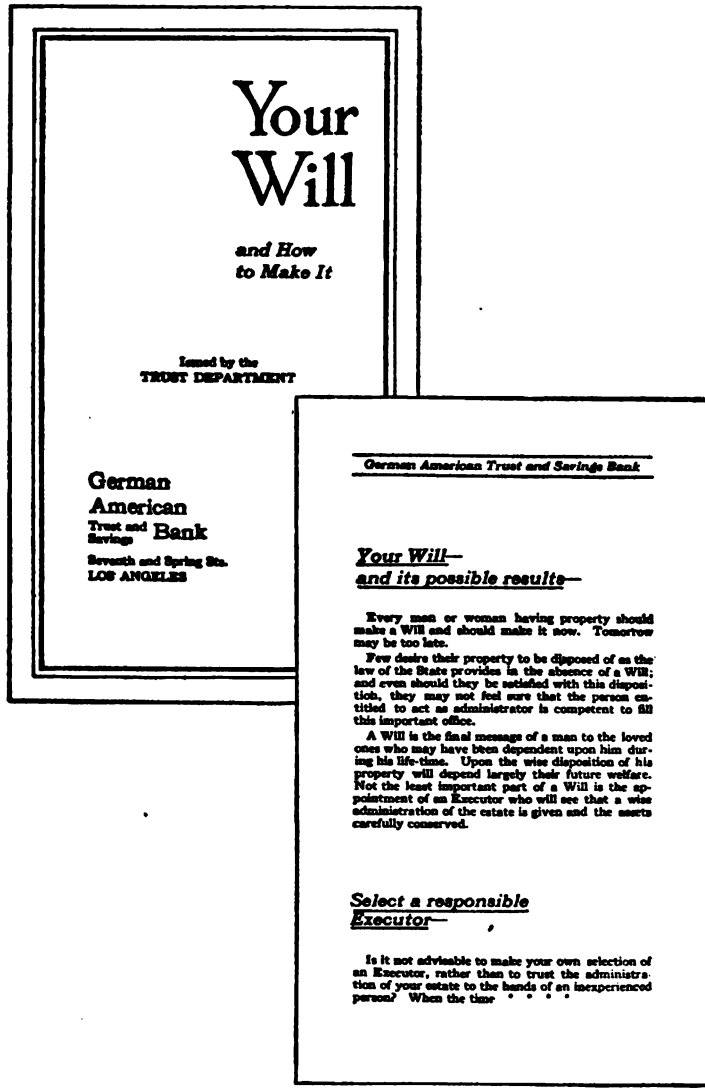
The Guardian Trust and Savings Bank

of Toledo

EDWARD H. CADY, President
E. B. CRANE, Vice-President
WALTER L. ROSS, Vice-President
EDWARD G. KIRBY, Secy. & Trust Officer
HARRY P. CAVES, Treasurer
J. BRENTON TAYLOR, Asst. Secy. & Treas.

MEMBER FEDERAL RESERVE BANK

Figure 33: Note this illustrated form letter which brought considerable business to a Toledo bank. It was sent to inactive accounts where the balance was less than $100. Note especially the simplicity of the wording and the appeal to use the home bank.



Your Will

and How to Make It

Issued by the
TRUST DEPARTMENT

German American Trust and Savings Bank

Seventh and Spring Sts.
LOS ANGELES

German American Trust and Savings Bank

Your Will—
and its possible results—

Every man or woman having property should make a Will and should make it now. Tomorrow may be too late.

Few desire their property to be disposed of as the law of the State provides in the absence of a Will; and even should they be satisfied with this disposition, they may not feel sure that the person entitled to act as administrator is competent to fill this important office.

A Will is the final message of a man to the loved ones who may have been dependent upon him during his life-time. Upon the wise disposition of his property will depend largely their future welfare. Not the least important part of a Will is the appointment of an Executor who will see that a wise administration of the estate is given and the assets carefully conserved.

Select a responsible Executor—

Is it not advisable to make your own selection of an Executor, rather than to trust the administration of your estate to the hands of an inexperienced person? When the time * * * *

Figure 34: The cover and one page of a small booklet sent out with a form letter are shown here. This plan has proved a business winner. Investigation indicated that many banks pin their advertising hopes to this type of appeal, and perhaps not without reason.

the number of customers, their vocation and the financial standing of each, and the size and growth of the accounts.

With this data on hand any banker will find the work of directing letters to the live prospects comparatively simple. In large banks having special advertising departments, daily reports of open and closed accounts and withdrawals often are made by the different departments to the advertising manager, who keeps them on file. By keeping track of the monthly totals indicating the condition of business in each department, it is easier to determine what branches need attention. In most cases these reports are typewritten and are ready for filing when they reach the advertising department.

WHY CHECKING UP MAILING LISTS HELPS OUT IN A SPECIAL DRIVE FOR BUSINESS

Where a bank has many mailing lists a careful check on the lists of the different departments often helps in selecting certain classes of names preparatory to a special drive for business. To illustrate, most of the savings depositors may be clerical employees while wage earners may be few and far between. Some of the commercial depositors may have ratings in excess of $50,000, but the majority may be rated at less. Therefore, in most cases, the problem is to build up the list so as to gain the strongest appeal to the greatest number on it.

Savings depositors of a bank in the Middle West were increased 20% in a year following a campaign based on a plan of this character. The banker found by a careful check of his customers' lists that the majority of the savings depositors were clerical employees, despite the fact that the bank was situated in an industrial section of the city where many thrifty foreign wage earners lived.

He selected from the card files of prospects a list of employees of nearby industrial concerns and mailed to them a simple letter on thrift, accompanied by an illustrated circular. The letter urged them to bring in their savings, even if they were "only a dollar." This appeal of course, indicated to the prospect that the bank welcomed small deposits. From time to time on pay days at the factories the bank distributed literature backing up the letter campaign. All of this copy gave the prospect a broader and closer view of the bank and made him feel that the bank wanted to help him. The letter itself follows:

To our Friends:

THRIFT forms the basis on which character is built; hence, how important it is to recognize its true value.

THRIFT is the result of the saving habit, while Adversity is the result of the spending habit.

Habits become more deep-rooted and powerful with every twenty-four hours of cultivation; hence, how necessary it is to watch and see that the right one is carefully nurtured.

The saving habit leads to the financial institution — it is there that encouragement to greater THRIFT is received through the payment of interest on the money placed in the savings account. Tomorrow is not as valuable as today in acquiring the saving habit.

Within this institution is found a host of other progressive persons who are developing the indelible habit of THRIFT. A cordial welcome is extended.

Following the installation of additional equipment in his safety deposit department, a small banker in Wisconsin sent out a short letter to a list of 1,000 prospects. This list was made up of customers who did not patronize the vaults and whose balances were

usually more than $500, and of large real estate holders and of wealthy men who were not customers of the bank. These names were secured from the country tax list and embraced the town and four surrounding townships.

Instead of appealing to the sense of fear, importance of protection, and so on, as is sometimes done in advertising this branch of banking service, the banker offered the boxes at a real bargain price. He urged the prospect to either come to the bank, telephone, or write. Accompanying the letter was a postal card which could be used for arranging to rent a box. In six months nearly every box was taken. This letter follows:

Dear Friend:

We have added a number of Safe Deposit Boxes to our regular Safe Deposit equipment.

We are making an unusual offer in renting them for $1 for a term of 14 months. We do this in order to have the new equipment in use at once.

Please bring your reservation card in as soon as you can conveniently do so. We want you to have the benefit of the offer without fail.

If you cannot come to the bank, mail the card.

Or, call us on the 'phone and ask us to reserve a Box for you.

Just so we hear from you before all the Boxes are rented.

Opportunities for getting new accounts are often presented by changing business conditions or by events that receive much general notice. A line, asking "How are You Going to Vote?" at the top of a form letter sent out shortly before the presidential election by an eastern trust and savings company attracted

immediate attention and resulted in a large number of replies, many of which developed into accounts.

Here is the letter in question:

Dear Sir:

"How are you going to vote?"

This is not so much the question in our minds — for we believe that the voters have seriously considered the political problems, and are prepared to cast their votes in accordance with the spirit of their convictions.

But the question we do want to ask is: Are you creating a surplus for the future?

The farmer is prospering — the merchant is busy — the manufacturer is swamped with orders — the country is enjoying a wave of prosperity. If you have not established a systematic savings account, now is the time to begin.

Some time ago we sent you a copy of our booklet "Banking by Mail," Did you you receive it? Did you keep it? This little book explains how easily you may send your money to us with absolute safety and privacy.

We are enclosing our last published statement for your further consideration.

Note our capital and surplus of $2,000,000 the safeguard to the depositor — our deposits of nearly $24,000,000 — the character of our loans which include only high grade stocks and bonds, and first mortgages on real estate based on 50% of our appraisal - our large list of directors composed of 29 prominent business men of ripe experience and undoubted integrity, some of whom you may know personally.
minds - for we believe that the voters have

We shall appreciate your business and will endeavor at all times to safeguard your interests.

You are cordially invited to visit our bank the next time you are in Cleveland.

AMERICAN TRUST COMPANY

SAINT LOUIS, MISSOURI

CAPITAL ONE MILLION DOLLARS

Investment Department

HERBERT M. MORGAN
SECRETARY

Our Farm Mortgages Are Guaranteed

Below we give a reproduction of the broad guarantee which is issued by the Commonwealth Farm Loan Company covering every Farm Mortgage sold by us.

We hereby assign the within Note, Coupons attached, and Deed of Trust securing same to

_____

and guarantee the payment thereof as follows:

FIRST: That the mortgage or deed of trust securing this loan is, and until paid in full will be, the first lien on the real estate described therein except taxes hereafter assessed and that the title thereto is good in fee simple;

SECOND: That the taxes lawfully levied upon the property therein described will be paid or it will purchase said property at tax sale for the account and benefit of the holder of the loan;

THIRD: It will promptly attend to the collection of interest and principal of said loan for the owner thereof, free of charge and pay over same on surrender to it of the notes evidencing same.

FOURTH: That in the event of the foreclosure of the mortgage or deed of trust, securing said loan, the real estate described will sell for enough to satisfy the debt, any taxes paid by assignee, all interest due thereon and the cost of such foreclosure. And that the principal of said loan and accrued interest thereon will be paid in full to the assignee or assigns within thirty days from the date of sale under such foreclosure.

In consideration of the foregoing guarantee the Assignee agrees on his part:

FIRST: To specify to what address remittances and notices shall be sent, and to notify the assignor promptly of any change in that address.

SECOND: If said loan is assigned or transferred, written notice, giving the name and address of the transferee, shall be given to this assignor within twenty days thereafter.

THIRD: The assignor is authorized and empowered to make all collections of interest and principal, which shall become due on said loan on behalf of the assignee or assigns, until this agreement is terminated by the assignee or assigns by due notice in writing to the party of the first part.

FOURTH: In case of default in the payment of the loan or on the breach of any of the conditions in the deed of trust securing same, the assignee may commence and prosecute any action for the collection of the debt or proceedings to foreclose the deed of trust, it may deem advisable, either in its own name or in the name of the assignor or assigns, at its own costs. Or if the assignor so elects, the assignor or assigns shall assign and transfer said loan to said assignor upon its request on payment of the principal and accrued interest.

Commonwealth Farm Loan Company

By: L. M. Stevens

We believe in our FARM MORTGAGES.

Here's how we prove it.

First: By GUARANTEEING them.

Read over this guaranty and see how your interests are safeguarded.

Second: By putting our own money into every loan before offering it for sale.

Isn't that the kind of company you want to deal with?

Let me know what amount you have to invest. I'll suggest something you'll like.

Yours very truly,

Herbert M. Morgan

Secretary

HMM/MM

Figure 35: The above method for attaching an enclosure often commands immediate attention and increases the value of the letter. A series, of which this is one, brought big results to one trust company in a campaign to push the sale of farm mortgages.

Did you ever have an argument with your grocer, doctor, or neighbor — he INSISTING you had not paid your bill, while you were POSITIVE you had?

Such annoyances are needless. There is very little room for dispute about accounts that are paid with bank-checks; your canceled check when properly indorsed is the most perfect form of receipt known in the business world.

Many a dispute has been settled, and loss and law-suits avoided by producing checks which told in no uncertain terms that payment HAD BEEN MADE.

Another advantage of a checking-account is the convenience of having at your fingers' tips at all times a correct showing of when, how much, and to whom you have PAID MONEY.

You are acting with business prudence when you carry an account at this Bank and pay all bills by check.

We are vitally interested in the financial welfare of our customers and urge you to make frequent and extensive use of the service, equipment and organization we offer you, especially during these summer months.

If you are not yet using the check as a means of payment we invite you to open your checking-account here, and do so now.

Very truly yours,

CASHIER.

Figure 36: By having his letterheads printed to conform to the class of customers he wished to attract, a banker in a small Wisconsin city was able to make his argument more effective. The one shown above drew many commercial depositors.

An Ohio bank grasped the opportunity for business afforded by the growing seriousness of the "high cost of living" question by getting out a series of 12 letters of 4 pages each. These were called the "wage earners" series. The first page emphasized the importance of a savings account in meeting the increased cost of living, while the remaining pages were devoted to practical lessons in household economy. Many replies were received and much new business followed. The bank also obtained a large list of prospects for future business.

A large volume of new business was obtained by a trust company in the West by letters accompanied by educational booklets. These letters called attention to the booklets and emphasized the wisdom of making a will and naming an executor. These letters were signed by the trust officer and sent out under 2-cent stamps (Figure 34).

A large bank in the South sold $125,000 worth of first mortgages in a one-year campaign in which form letters were used to reenforce display advertising in the newspapers and in several national magazines. During the year 1,731 inquiries from 40 states were received. An average of three letters were sent to each person. In all the letters an illustrated folder was enclosed. In some of them the folders were attached to the single sheet, (Figure 35) with the writing on the right hand side, thus insuring attention. In all these letters the personal element was strongly conveyed.

It is always essential to frame the advertising to appeal directly to the needs of the customer. Naturally, depositors want a safe repository and one where their money will earn interest. The commercial customers of course regard the bank as a place where they can deposit money, secure accommodation when they need it, and some of them want advice on financing.

It is evident that the bank must make a distinction

between these classes of depositors. To illustrate, a southern bank which had long employed a general appeal decided to change its plan. Two mailing lists were complied, one of business men who might be interested in opening a checking account, the other of wage earners and salaried workers who might be induced to open savings accounts. Letters were sent to these lists—setting forth the advantages offered by the bank to the class in which the prospect belonged.

For a week before the letters were sent out displays along the same line as their texts were run in the newspapers, and after the letters were mailed a series of eight displays of the same type were run twice a week. This plan produced more than 600 inquiries in the savings department alone. The response in the commercial department was also favorable. When a prospect came into the bank he was given a card providing space for his name, address, occupation, and present banking connection. This information was transferred to a mailing list and letters were sent out every 90 days to this list.

MANY BANKS DECLARE ILLUSTRATED OR FOLDOVER LETTERS "SPOTLIGHT THE SELLING TALK"

Illustrated or foldover letters are often considered ideal mediums for conveying long messages intelligently. These in a way spotlight the selling "talk."

A state bank in northern Michigan mailed out a series of foldover letters to approximately 1,000 prospects for the savings department. After the third letter went out replies began to come in. Many new accounts were opened. The first page was devoted to an interesting and instructive discussion of thrift and its value.

The inside pages were devoted to a discussion of a vocation or profession, as agriculture, engineering, law, and so on.

The cost of these letters was nominal and their mailing was handled by the bank. The prospects were classified so that the letters would reach fertile territory. Many were handed over the counter as well. In this way the bank eliminated waste of time and money in mailing and secured business-getting circulation.

When a new account is opened in an Indiana savings bank and trust company a personal letter over the signature of the president is sent to the depositor. It reads:

> Dear Sir:
>
> I note that you have opened an account with us and write to express our appreciation of your business.
>
> Miss Shipp at the new-account desk will be glad always to answer questions and aid you in any possible way. Likewise, the company's secretary, Mr. Shepard, on the left as you enter from Market street, or the savings manager, Mr. Johnson, on the right, will really be grateful for an opportunity to serve you.
>
> Should you ever fail to get courteous and efficient service I trust you will promptly inform me or one of the other officers.
>
> We are eager to make this a great public-serving institution, eager to make good our promise to help people save safely. For your cooperation I will be most thankful. Perhaps you will send some friend to us?

When either a new or old customer begins to patronize another branch of the bank's service, this new business is promptly acknowledged by a brief letter of appreciation, also signed by the president. This letter follows:

> I have noted the certificate-of-deposit business with which you have favored us today and beg to assure you of my appreciation.

"In this way we usually make a quick and favorable impression on customers," says an officer of the bank. "When the account is opened the name of the depositor is sent at once to the clerk who attends to the mailing. All that is necessary is to fill in the depositor's name, address, stamp the envelop, and send it out. We tell the people in the first letter just how to go about it to secure information regarding any point in our service, and we emphasize our willingness to adjust complaints. These two points can be turned to profitable advertising use by any bank."

HERE'S A NOVEL PLAN THAT SOME BANKS HAVE USED WITH GOOD RESULTS

Some bankers have used reproductions of letters written in longhand with excellent results. For example, the president of a California bank prepared a series of letters from "Father to Son," and from "Mother to Daughter." He had the one written in a strong, masculine hand and the other in a delicate, feminine hand. The series was sent to an engraver and zinc etchings were made for newspaper display of two columns wide and eight inches deep.

The reproductions of the letters were run in an attractive panel border in the newspaper.

This campaign lasted 60 days and developed new business of more than $75,000.

"This idea gave my letter a 'homey' and personal touch that I could get in no other way," said the president of the bank. "The cost of the campaign was about $650 and the results fully justified the expenditure. In the father's letters, for example, the son received simple, impressive advice about the benefits of savings and the value of a bank account. These letters were signed 'Dad.' In the mother's letters, the daughter was told how a bank account often comes in handy, solves unexpected financial problems and

prevents worry. They told how the regular deposit of a part of her 'pin money' would soon grow into a substantial sum and gave examples showing why the mother found a bank account helpful in running the household and in shopping. These were signed 'Mother.'"

In preparing and writing an effective form letter many details must be considered. Care should be taken in the selection of the stationery. Cheap paper and poorly printed letterheads often mar the effectiveness of an appeal. The typographical arrangement and the quality of the paper can be simply and quickly determined, and when the banker gives these questions proper consideration the pulling power of his appeal usually is strengthened. Sometimes it is desirable to use the emblem of the bank. Again, a picture of the bank gives the letter an attractive touch. Or, as in Figure 33, where interesting figures are silhouetted on the letterhead the appeal often is strengthened.

A banker in Wisconsin had letterheads printed to conform with the subjects contained in his letters (Figure 36). In this figure the picture of the check book is felt to give added force to the appeal, "Pay by Check." These letterheads are changed with each new mailing and thus the bank reaches the prospect from a different angle each time. It is worth while noting in this form that the name of the bank is subordinated to the main point of the letter.

Letters are used in every bank nowadays to a greater or less degree to get business. Those described and reproduced in this chapter are letters that have proved successful for banks throughout the country, and they illustrate how letters can be used effectively in building worth while business for any branch of banking service.

CHAPTER VIII

HOW TO PLAN THE RIGHT FOLLOW-UP

TOTAL deposits from a list of savings accounts classed as inactive by a large savings bank increased 72% in one year, and 619 former customers reopened accounts, as the direct result of a systematic follow-up campaign with personal letters. The 619 accounts represented 14% of the total number of new accounts opened during the year.

Letters to these "inactives" were sent out every three months. These expressed the bank's appreciation of the depositor's patronage and a folder dealing with bank service was enclosed.

As a direct result of this campaign nowadays when a depositor closes his account a letter is sent to him on the following day, calling attention to the bank's "complete equipment and convenient location," emphasizing the desire to be of service and inviting him to reopen the account. In case the account is not reopened within six months another letter of a similar type is sent.

By checking the ledger daily, and thus keeping track of the status of each account, this bank is able to conduct a systematic plan of follow-up. Form letters, prepared by the cashier, who directs the bank's publicity, are kept in stock and used frequently. They are prepared for mailing by a girl clerk who fills them in on the typewriter, and are sent over the signature of an officer.

This system has become a vital part of the bank's routine and the importance of an effective follow-up is

proved by the actual results. Investigation revealed that in nearly every case where a systematic follow-up campaign was conducted the results fully justified the expenditure. This holds true of the small as well as the large bank. A small bank in a mining region of West Virginia obtained a large number of new accounts through the regular circularization of a list of 1,000 prospects. Illustrated form letters were sent to this list every two weeks for a period of about three months. At the end of that time 26 prospects had opened accounts with an average initial deposit of $138. In six months approximately 10% of the list had responded with accounts and the bank considered its expenditure of $200 a profitable investment. A simple card index helped in checking returns (Figure 37).

When a bank contemplates following up prospects in this way it is necessary first to make a close analysis of the field of operation, as described in Chapter I, and an analysis of the lists as prospects as described in Chapter VI. On such a foundation it usually is a simple matter to build up a systematic plan of follow-up which brings results.

The manager of a new-business department in a trust company in the Middle West outlined in advance an entire year's campaign for circularizing 12 lists. By a chart he graphically indicated the class of names in the lists, the number in each, and the number of times each was to be circularized and in what month. The chart also showed how the lists were compiled and used and how and when revised (Figure 38).

In this bank occasionally additional advertising literature, conforming to changed conditions, is sent to certain parts of these lists, and sufficient leeway is always given in making the yearly appropriation to allow for some extra expenditure. However, the bank has a definite idea at the start of the year just how much it will spend for direct advertising. No definite

Name	Andrew Zepher
Address	Vevaco,
	W. Va.
Occupation	Miner
By Whom Employed	Cabin Creek Consolidated Coal Co.
Has He Bank Account	
Name Furnished by	
Give Full Information on Opposite Side	

Figure 37: A banker in West Virginia uses this simple card form to tabulate information on prospects, whom he follows up systematically with letters and other advertising matters.

					Communications for 1917								
NAME OF LIST	HOW MADE UP	HOW USED	NO. OF NAMES	NO. OF TIMES	Jan.	Feb.	Mar.	Apr.	May.		Oct.	Nov.	Dec.
Credit	Trade Circulation	Bulletin Letters	15300	1					✓				
Women	Trade Circulation	Bulletin Letters	2300	4	✓			✓			✓		
Charitable Organization	Published	Personal Letters and Calls	600	1						✓			
Club	Published	Personal Letters Calls and Pamphlets	779	2			✓			✓			
Business Men's Organization	Roll	Personal Letters and Calls	890	2				✓			✓		
Physicians	Selected	Statements and Pamphlets	175	4	✓			✓			✓		
Officers - Special	Miscellaneous Sources	Personal Letters and Statements	865	6	✓		✓		✓	✓		✓	
Trustees	Directory	Leaflet	300	3		✓							✓
Corporations	Trade Circulation	New	2065	6	✓		✓		✓			✓	
Lawyers	L. K. R.	To be Decided	109	5		✓		✓		✓	✓		✓
Customers		Calls and Blotters	5000	10	✓	✓	✓	✓	✓	✓	✓	✓	✓
Brokers	Selected	Statements, Special Letters	300	6	✓		✓		✓		✓		✓
			26,643										

Figure 38: By charting his mailing lists as indicated above one banker was able to lay out a whole year's follow-up campaign. The check marks indicate when the lists were circularized.

day is set for the list mailings. These may be made at any time in the month designated.

The president of this bank declares the follow-up system is an important factor in holding old customers, as well as getting new ones, and blotters, statements, and the like are sent out at least 10 times a year to emphasize the appeal.

IF YOU WANT TO INCREASE YOUR SAVINGS DEPOSITS PERHAPS THESE CARDS WILL HELP

Two classes of cards have helped an eastern banker to build up his savings department. The information tablulated on one card helps to build new business, while the data on the second aids in holding it.

The cards for prospects are arranged chronologically for an automatic follow-up by days, weeks, and months. The different divisions are indicated by date cards which protrude above the regular name cards. The cards for customers are arranged alphabetically. When an account is opened by a prospect a new card is made out and placed in the customers' file. When a customer closes his account his name is placed on the prospect list. This system enables the banker to issue timely appeals.

An example of how this system helps in getting new business is illustrated below.

Thomas A. Watson, a farmer, whose name was placed on the prospect's file in September, was then a customer of another bank. This information was listed on the prospect card (Figure 39). It will be observed that Watson was sent "form letter No. 1" on October 17 and that this was followed up with a special letter and a booklet on October 26, five days before he shipped 1,000 bushels of potatoes. The day after the shipment was made he deposited $1,250 with the bank.

Here is an example of how this system holds business:

PROSPECT

Name: Thomas H. Watson

Address: Blankville, Ohio

Occupation: Farmer

Bank Connection: First National

Advertising Matter Sent

Date	No.	Remarks
10/17/16	7-1	Party will sell 1000 bu. of potatoes to
10/26/16	special B-A	be shipped Oct. 31

Figure 39: This card shows how one banker keeps information which will provide for timely appeals. The code indicates the sort of literature that has been sent out.

CUSTOMER

Name: J. G. Mather

Address: Blankville, Ohio

Occupation: Farmer

Account Opened: 1/15/15 $750 Account Closed: 5/16/15.

Advertising Matter Sent

Date	No.	Remarks
1/3/15	7-2-BC	Party will sell piece of property Nov. 21. 1915
3/16/15	7-3-BD	Party would not state definite reason for
5/16/15	7-5	withdrawing - from letter sent 5/16/15
		Interview 5/20/15 - Account closed 5/25/15

Figure 40: Here is a card that shows how the bank which uses Figure 39 is able to hold its customers. Information is tabulated under a follow-up date so that appeals will have the maximum effect.

A customer's card (Figure 40) shows that J. G. Mather opened an account on January 15, 1910 and closed it on May 15 of the same year. The card was removed from the customer's file immediately and filed in the chronological index under the date the account was closed, and automatically came before the officer in charge of advertising. The card shows that form letter No. 5 was sent to Mr. Mather the day after the account was closed. This letter was backed up by a personal visit by the bank solicitor as the card also shows, and the account was reopened 10 days later.

The secretary of a small trust company in Indiana has had his stenographer memorize two letters, one for new depositors and the other for depositors closing accounts.

These letters follow:

> In expressing our appreciation of the account which you have opened with the Security Trust Company we wish to extend to you a cordial invitation to make use of our up-to-date facilities in any department in which our service can be of value to you.
>
> In addition to receiving Savings and Checking Accounts this bank is prepared to serve you very efficiently through its Safe Deposit, Trust, Real Estate, Rental and Insurance Departments. It is the constant purpose of our officers to render to each customer a class of service that will meet his individual needs in a thoroughly satisfactory manner.
>
> It might be well to add we shall be very pleased to have you consult with us whenever counsel or experience may be of assistance to you in financial or investment matters.

> I regret exceedingly to learn that you have closed your account with us and trust

your action is not the result of any mistake which we may have made in not furnishing you with the best possible service.

It is always our endeavor to meet the requirements of our customers to the fullest degree, and I will appreciate a word from you if, for any reason, you feel dissatisfied with the manner in which your account has been handled.

We feel a personal interest in every one of our customers and it will afford us great pleasure to be favored with a renewal of your patronage at any time that you may desire to reopen your account.

Thanking you for the business with which you have favored the Security Trust Company, I remain,

A savings bank and trust company in the same community sends out a form letter soliciting a resumption of business relations nine months after the account is closed. These are multigraphed, and filled in by a stenographer.

In follow-up systems of this type it is seldom considered necessary to write a special letter, although at times it is done, for instance, when a very large account is closed. In a case of this sort the banker usually knows the reason and is able to make his appeal more effectively than by a form letter.

A series of four letters sent every three months to a selected list of prospective bond buyers, brought considerable business one year to a trust and savings bank. The first letter offered advice on how to select the proper bonds for safe investment and invited the prospect to discuss the matter with the bank's representative, who would call on request.

If you have decided to place your funds in bonds you are at once confronted with the problem of how best to make a selection.

Even an exceptionally well informed investor who buys in large amounts has not the facilities to make the searching investigations which an investment banking house insists upon before purchasing a new issue of bonds. It is on this account that the careful investor has come to give more consideration to the banking house through which his investments are purchased than to some of the details of the bonds themselves.

After all the safest policy is to first satisfy yourself as to the responsibility and experience of the investment banking house with which you are dealing and then put your investment problems in their hands. The Harris Trust and Savings Bank would naturally like to be the investment house you select, and we believe that our 35 years, experience in choosing safe investments has equipped us to serve you well.

During this time the Harris organization has purchased with its own funds over two billion five hundred million dollars of bonds, and its business today is over five times what it was ten years ago.

We shall be glad to send a representative to discuss your investment problems with you if you are interested.

The second letter told "How One Man Invested Several Millions," emphasizing the security which "safeguards all investments." By putting the title of the "story" in red ink at the top of the letter immediate attention was often attracted.

HOW ONE MAN INVESTED SEVERAL MILLIONS.

A few weeks ago a large investor had occasion to purchase several million dollars of bonds for investment, and was confronted by the problem of choosing the organization which was to serve him in this important matter. His problem was personally somewhat

delicate because he numbered among his friends the partners or officials of some of the largest investment institutions in the country. The investigation was very thorough, and after completing with us the purchase of his investments, he wrote the following:

"I had one bank test out for me the value of offerings of different reliable houses, including your own, and this was considered by me in detail before making the venture. No one knows that this subject was being investigated except the confidential representative of the bank and myself, and no one knows my conclusions and action but your house and associates and myself."

It is commonly known that very large and experienced investors -- whether they be individual capitalists, estates, banks or insurance companies -- exercise the greatest care in the choice of their securities and have at their command every method which it is possible for any individual to use in determining the real merit of investments. It is, therefore, all the more striking that this large customer felt it desirable to definitely choose a responsible investment banking house as his final safeguard.

This is not an isolated case; from other letters in our files we conclude that the majority of careful investors consider their personal relationship with their investment banker the most important phase of their investment problem.

Permit us to repeat what we said in a former letter -- that we are just as williug to accord our services to persons who are not our customers as we are to those who are old patrons, and likewise to those of small as well as large means.

The third letter impressed the security of government and municipal bonds and outlined four reasons for the "high regard in which they are held."

Supplementing our previous letters, we wish to call your especial attention to the strong features of public utility corporation bonds. When selected with proper care and issued by corporations operating in the larger centers of population, bonds of this class combine all the essential features of a safe investment. Many of our customers confine their purchases almost entirely to this class of bonds. The following is a brief summary of their strong features:

Every large community must have water, gas, electric light and power, telephone and street railway service.

Experience shows that the growth of the business of these necessary utilities has been more rapid than the growth of population.

The income of a public utility corporation is derived from practically the entire population of the community served — the charge on the individual being very slight. This fact accounts in a large measure for the stability of earnings of such companies.

During the past nine years companies reporting to us showed average annual increase in gross earnings of approximately 7.7 per cent. This is especially significant because this record includes the years 1908 and 1914, in both of which gross earnings of a very large majority of industries in the United States showed a decrease. In the case of the companies reporting to us, there was an average increase in 1908 of more than seven per cent and in 1914 of approximately three per cent.

In purchasing public utility corporation bonds of us an investor not only obtains a security generally recognized as thoroughly conservative, but also has the benefit of the long experience and trained judgment of the Harris organization. Before we offer bonds of this class, all the details of the security have received the thorough investigation of prominent engineers, lawyers and

financial experts. Every detail which might affect the interest of the investor has been considered.

May we not have the pleasure of giving your further information regarding specific issues?

The fourth letter summarized the strong features of public utility corporation bonds, and announced that a booklet describing companies the bank had financed would be sent on request.

Every time you pay your taxes you contribute toward the payment of principal or interest of any bonds of your own community which may be outstanding. You have had brought home to you the regularity and certainty with which taxes must be collected and examined; therefore, you can readily appreciate how sure and prompt are the payments of the principal and interest of government and municipal bonds secured by taxes.

These types of bonds are generally considered the acme of investment safety. A few reasons for the high regard in which they are held follow:

1. They are promises to pay given by an entire community.
2. Entire communities are very careful to preserve their good credit and accordingly pay their just obligations promptly.
3. The actual history for safety of such bonds, when issued for legitimate purposes and passed upon by responsible investment bankers, has not been excelled by any other type of investment.
4. Such bonds are secured finally by all the taxable property in the community, and taxes from which they are paid are a lien against all property, even

ahead of mortgages or debts of all tax payers.

Many municipal bonds are accepted by the United States Government as security for the deposits of postal savings funds in the banks of the country; both government and municipal bonds have served to secure currency. Many savings banks, insurance companies and fraternal orders use them for the investment of their funds, and many of our individual customers, large and small, confine their investments exclusively to such bonds.

If you are interested in this type of investment we shall be pleased to supply you with information, booklets, circular matter, etc., and to answer any specific questions which may occur to you.

Trusting we may have the pleasure of serving you, I am

Throughout each letter the advertising director made the word "you" predominant over "we," thus making the bank secondary to the prospect. This is a point in form-letter writing that perhaps may be used to advantage by every bank. It is apparently of particular importance in follow-up systems, as a repeated use of the first person is apt to become monotonous to many readers.

In reaching out for new business in remote districts, which usually implies getting most of the business by mail, a vigorous follow-up campaign is imperative. Investigation indicated that bankers who have attained success in this line have made an intensive follow-up the keynote of every plan.

An eastern bank has obtained 12,000 accounts from all parts of the world, including 44 out of the 48 states of the Union, as the result of its consistent follow-up methods. Small display advertisements are carried in several national magazines and in many newspapers.

All of these carry a distinctive appeal to savings prospects. Each bears the bank's trade-mark, emphasizes the 4% interest rate, and announces that a booklet on "Banking by Mail" will be sent on request.

ONE BANK USES THIS TESTED PLAN TO BACK UP ITS BANK-BY-MAIL APPEAL

A special bureau has been established to handle this work. Each inquiry is promptly answered with a form letter accompanied by a booklet. The booklet describes in detail how banking by mail may be conducted, emphasizes the strength and special facilities the bank feels it offers and contains a blank for use in making an initial deposit.

When a patron's pass book is returned to him he is always requested to give the bank the names and addresses of some of his friends whom he thinks might be interested in opening a savings account. A return addressed envelop is enclosed. If names are given a letter of thanks first is mailed to the depositor and then the bank writes to those whose names are suggested enclosing its latest booklets and statements. As a rule, not more than three follow-up letters are sent to these prospects.

By explaining the simplicity of this banking-by-mail system to savings depositors who are leaving the city, the bank has succeeded in holding a great deal of business. One man was leaving for Australia, where he expected to reside. When he came to withdraw his money the cashier called him into a private office and in 10 minutes explained the banking-by-mail system and convinced the man that his savings were just as safe there as in Australia. The customer drew out sufficient money to cover the expense of his trip and left the remainder in a savings account. He more than doubled his deposits in two years.

"Records of this bank show that an average of about

50% of prospects solicited by mail have opened accounts. The publicity director estimates that an average of three letters to a prospect is necessary to produce satisfactory results. All letters are multigraphed, filled in by the bank's stenographers, and sent over the signature of an officer. Almost all the copy emphasizes that a big, strong bank is brought right to the front door of the prospective customer." The bank's strength, safety, the 4% interest paid, and its service also are emphasized. One of these letters follows:

> There are four main factors you should consider carefully before deciding upon a bank in which to place your money at interest:
> STRENGTH SAFETY 4% INTEREST SERVICE
>
> The very satisfactory manner in which this institution — one of the oldest and largest savings bank in the country — provides these factors has been explained in our previous letters to you and we now ask you to note the conclusive proof of the success of our methods as evidenced in our latest report to the Banking Department of the State of Ohio which shows:
> Capital and surplus of SEVEN MILLION DOLLARS
> Deposits amounting to over SIXTY MILLION DOLLARS
>
> An increase of close upon 20 Million Dollars in the past 5 years.
>
> This remarkable growth is the most practical proof of the high position which this bank occupies in its community as well as all over the world. We are constantly receiving deposits by mail from every part of this country and abroad — our customers appreciating the real advantage of obtaining the highest form of safety for their funds together with a liberal and steady rate of interest — 4% compound twice a year.
>
> We would be pleased to add your name to our list of depositors and immediately on

I hereby agree to the Rules and Regulations of
THE GUARDIAN SAVINGS & TRUST CO., Cleveland, Ohio,
governing savings accounts

SIGNATURE Warren J. Lacey

ADDRESS 120 East End Avenue

OCCUPATION Dentist

DATE 10/18

over

BANKING BY MAIL

To open an account with THE GUARDIAN SAVINGS & TRUST CO. by mail it is only necessary to fill out this card with your name, address, etc., and enclose it with your deposit, which may be sent by check, or draft on your local bank, money order or *currency by registered mail,* and on receipt of same a bank book, with the amount properly credited therein will be mailed you.

Deposits may be made at any time under our rules, and in any amount from $1 up, and 4% interest will be paid thereon, compounded every six months. Make all remittances payable to our order We collect checks and drafts without charge.

THE GUARDIAN SAVINGS & TRUST CO.
CLEVELAND, OHIO

Figure 41: Shown above is a leaf from the back of a booklet sent to prospects for "banking by mail" as a part of one bank's regular follow-up system. The convenience to the prospect for opening an account has proved an effective argument.

receipt of your remittance for deposit we will send you a bank book showing the full amount credited therein. Money may be sent in the form of Post Office or Express Money Order, bank draft or local check. If currency is sent the letter should be registered.

Assuring you of prompt, courteous and thoroughly efficient attention to your account at all times, we are,

By dividing the work of the filing department among a number of girls this bank has increased the effectiveness of the department. As soon as a name is received in the office it is placed in two card files, in one in alphabetical order by states, and in another in chronological order according to the time determined for sending out advertising matter. These lists are revised daily by checking them against lists of new accounts furnished by the bookkeeper.

The first step taken by this bank in following up inquiries is to send out a typewritten letter, enclosing an attractive booklet illustrating the bank's quarters, emphasizing the strength and safety of the institution, explaining its facilities, and giving a digest of its rules and regulations. In this way the bank inspires confidence in the prospect—a primary essential to the success of a mail campaign. Each inquiry is answered promptly and the name then is placed upon a card and filed for follow-up. If no reply is received within 10 days, a second letter is sent, and this usually results in an acknowledgment.

If no reply is received a third letter is sent out 10 days later. This letter is effective in bringing replies in many cases. Investigation indicated, however, that deposits do not always follow quickly upon inquiries. Often requests for booklets do not result in actual business for the bank until the second, third, and even fourth month.

When a deposit is received through the mail the card

is taken out of the "inquiry" file and the amount of the deposit is entered upon it. Then it is filed under "new accounts." A daily check sheet is kept by a girl clerk, who devotes her entire time to this work, showing the inquiries received and accounts opened. Each account is credited to the advertising medium or to the person that produced the inquiry. At the end of the month these different columns are footed up and the bank is able to determine the exact cost of getting the inquiries, their sources, and the total new deposits.

Most banks soliciting accounts by mail have found that much time and money can be saved by having a return blank printed in the booklets, instead of having them printed on separate sheets. These act as reminders to the prospective customer and often produce much business.

A Cleveland bank has a form of this sort printed on the last sheet, while an Indianapolis bank has one printed on the inside of the back cover (Figure 41). A California bank has a deposit slip printed on the back page of a number of booklets used by it in soliciting savings deposits by mail. In all cases these methods have been found to stimulate the prospects to action, and they were particularly effective in securing accounts from men and women not accustomed to writing letters.

Methods similar to those described have been used effectively by many other banks to increase business by mail. In other words, the general policies which pay best for this sort of promotion work are more or less definitely known.

CHAPTER IX

BOOKLETS AND ENCLOSURES

AFTER discovering that 40% of this savings accounts had been inactive over a period of a year, a banker in a suburb of Chicago circulated a series of booklets, each containing a striking human-interest appeal. In seven months this advertising helped to reduce the inactives to 16%.

The plan used by this banker is adaptable in almost any bank. The inactive depositors were divided into two classes—salaried workers and wage earners. Different appeals were mailed to each. For example, an eight-page booklet usually was sent to clerks. It contained a story of how a young man's application for a position was refused because he had no bank account. But when he convinced the head of the firm that he would start a savings account on his first pay day he was employed.

Little stories like this, told in an interesting manner, little incidents from real life that strike home to the class of people to whom they are directed, often serve to give the bank's service a deeper significance. A few days after the first mailing of these booklets customers who had not been inside the bank for a year or more deposited sums ranging from $1 to $100.

Before using the booklets this banker did not advertise systematically in any medium, although displays were carried occasionally in the newspapers. The campaign, including the preparation of booklets, postage, and so forth, cost him approximately $100 a month. While this might be considered high in com-

parison with advertising expenditures in many other suburban banks, the results were entirely satisfactory.

Investigation made indicates that nearly all banks use booklets and circulars. This form of publicity represents a substantial item of expense, as shown by the cost tables given in Chapter III. In order that the expenditure may be most productive, however, the banker must first ascertain where he can best direct his appeal, and, wherever possible he can make it more effective by linking it with campaigns in newspapers and other mediums. Too many bankers apparently are inclined to purchase large quantities of attractive literature without first providing for its effective distribution.

The plan already described demonstrates one way in which booklets can be made effective. As is the case in almost every small city, the transients in this suburban town were few, and therefore there was little possibility of loss through duplications or removals in the mailing list used. But this is not always the case and it is sometimes necessary for a bank to find other ways to get business-bringing circulation at a minimum cost. This point is illustrated by the experience of a certain suburban banker.

He circularized his district by mail for several months before he discovered that 30% of his letters failed to reach the prospects. The list was supplied by a compiling company and through deaths, removals, and so on had deteriorated rapidly. The plan of mailing the letters and booklets was abandoned and at intervals of three months they were distributed from house to house. This plan brought in 600 new savings accounts.

In all cases the circulars or booklets were placed in envelopes addressed to "Our-Friend-Patron." Young men were employed at $2 a day to distribute them. At each house the circulator placed the envelop in the hands of a member of the household. Where there

was no one at home no envelop was left. In this way the bank made sure of getting the greatest attention in proportion to the amount of money expended. Unless this is done, house-to-house circulation usually is of little value.

Another bank, located in an industrial section where many foreigners live, prepares illustrated circulars to hand out to employees of the various factories. The distribution is made on pay days by boys who stand at the gates of the plants as the men come from work. Naturally some of this literature is wasted, but because of the saving on postage this bank feels that the distribution is satisfactory.

HERE ARE SEVERAL TESTED METHODS FOR REDUCING WASTE IN DISTRIBUTING PAMPHLETS

In all banks that use booklets and advertising matter of a similar nature it is necessary to keep a supply in the bank for customers and visitors, but here, again, a careful plan of distribution is important. To pile booklets indiscriminately on counters and pay no further attention to where they go often is encouraging waste.

Realizing this, the cashier of a large trust company in the Middle West, who also directs its publicity, has arranged a series of pigeonholes on the counter adjoining his desk. His desk is placed near the entrance of the bank and he is in a position to see every person who enters. He thus is able to hand out to visitors the booklet or circular which may be most interesting and effective. At the same time he gains valuable personal contact with customers and prospects.

A small bank in the West has a table near the entrance on which different booklets and pamphlets are piled. Over the table is a sign "Take One." The president who sits near the table, can see who take the booklets, and in this way often gets profitable leads.

With a sound appeal, based on an analysis like that described in Chapter I, the banker is better able to select booklets that will really help to meet competition and create new business. Many bankers cannot spare time to prepare their own booklets, and, of course, the services of an advertising specialist usually are expensive. Perhaps this explains why the investigation revealed an apparent general tendency to purchase ready-made booklets and folders, which often serve the purpose admirably.

This is illustrated in the case of an eastern bank, which obtained 1,050 savings depositors in a three months' mail campaign with a series of ready-made booklets telling in interesting biographical sketches how 12 great men achieved success. The booklets were sent out with letters to a list of 2,000 prospects. At intervals of two weeks they were followed with mailing cards on which were short, crisp quotations of successful men. There were 12,000 of these cards making up a series of six different groups.

The only difference to the bank in the entire booklet was the name and address, and the rate of interest paid on savings, all printed on the back. While this medium contained no specific appeal for this particular bank, it proved to be stronger than one sent previously which described in a general way the functions of the bank.

Sometimes the exercise of a little ingenuity will enable a banker to change a ready-made booklet so that it will apply directly to his own bank and form thereby a more effective appeal. For example, the cashier of a bank in a small town clipped photographs from statements that had been printed several months before, and pasted them on the front of booklets obtained free from a firm manufacturing bank equipment. The picture gave local color to the booklets and increased their effectiveness.

By watching both the advertising and general reading matter in newspapers, magazines and other periodicals for suggestions, and by keeping a file of all the advertising literature that he gets from other banks, a banker in a small town in the Middle West has collected many valuable ideas which he uses in preparing booklets and folders. He is on the mailing list of 50 banks and receives many interesting pieces of literature in the course of a year.

A WIDE-AWAKE BANKER IN A SMALL TOWN USES THIS EFFECTIVE SYSTEM

When one of these contains an idea that will apply to his bank's service he jots it down in a note book. Thus he is able to make up a creditable appeal in a short time and at low cost. At the time of the investigation he was mailing to prospective trust customers an eight-page booklet, all of the contents of which were obtained in this way. It was printed on a medium grade of paper and had a neat and attractive cover bearing a simple announcement. Six pages were devoted to a discussion of wills and the handling of estates, while the last two pages listed the names of officers and directors, and briefly explained the functions of the bank.

Many banks capitalize important current events in preparing booklets. Aside from the announcement of the capital, surplus, directorate, and so on, booklets of this type usually contain little mention of the bank itself, but the contents often form a subtle appeal which attracts business. This is strikingly illustrated by a large savings bank in Pittsburgh, which reinforced newspaper displays with a timely booklet.

When the government began to urge conservation of food supplies, this bank gave away a booklet on "Home Economy" and advertised it in the newspapers on seven successive days in single column advertise-

ments about six inches deep. These advertisements were illustrated with views of the book. Out of 5,000 people who got booklets, more than 25% opened savings accounts.

The parcel post law had just gone into effect when a Cleveland bank issued small booklets describing its various regulations in detail. Large numbers of these were mailed to customers and prospects. When the supply was exhausted a revised edition was printed This revision was announced by form letters, each enclosing a return card for ordering a booklet. This kind of service helped to stamp the bank as a wide-awake institution and attracted attention over a wide territory.

The advertising director of an eastern bank gained the favorable attention of baseball "fans" by issuing a small booklet containing statistics of the major baseball leagues, including the playing schedules for the year, a sketch of the local players, as well as many athletic records. These booklets were given out by young men at the entrance to the ball park. This same bank issued a booklet on "Vegetable Savings" which aroused great interest among garden enthusiasts and created more savings deposits. Fifty thousand of these were distributed in connection with a municipal garden-growing contest conducted by the bank, which gave $1,000 in premiums.

"The Million-Dollar Habit" was the title of a booklet prepared by a large trust and savings bank in the Middle West. At the time of the investigation 10,000 of these had been distributed by mail and at the bank. Several thousand were sent out to weak or dormant accounts, and to new customers. The booklets also were displayed in the window of the savings department, which fronts on a busy downtown street. A sign reading "Come In and Get the Habit" brought many people into the bank.

Figure 42: Some booklets of novel design which have attracted wide attention and "proved out" as effective advertising mediums are shown above. Each carries a forceful argument for patronizing one or the other of the departments of a bank.

Figure 43: Booklets for effective advertising weapons may be educational and instructive, or they may carry human interest appeals that attract prospects. Here are shown booklets of both types, and all have brought valuable results.

A page in the back of the booklet could be detached on a perforated line. On it was a form on which the name and address of someone else who might be interested could be written. Out of the first 5,000 booklets sent, 500 names of live prospects were obtained. These were placed on a mailing list and advertising matter was sent to them at regular intervals As a result new accounts were opened.

This booklet had a wide appeal and was divided into several parts. First, it told the story of "a million-dollar savings account." How a millionaire began as a grocery clerk at $3 a week and worked up was pictured. Next came "The Crime of Proverty"—based on the story of the life of Edgar Allan Poe; then, in order: "Greater Than Money," "The Virtue of Saving," "The Power of Interest." The middle pages of the booklet were devoted to listing the officers and to giving brief explanations of the various functions of the bank. Following these pages was a human-interest story entitled "A Bit of News." Next came "The Patriotism of Saving," then a chapter entitled "I," meaning thrift. "Seven Odd Ways to Save" also were described, and the book ended with a direct appeal by the bank to save and entitled "Yours Truly."

A booklet devoted to a savings appeal was issued by a wide-awake trust company of St. Louis. The booklet was called "100 Successful Savings Plans." It was put out in connection with a contest in which $500 was given in prizes for the best plans for saving submitted.

The contest and its progress was announced in large displays in the newspapers. When it closed the results also were announced, together with the names of all of the winners and the judges. Publicity also was given to the fact that the plans would be compiled in booklet form and distributed. Thousands of people called for the booklets, and many were mailed to prospects.

This campaign brought in hundreds of new accounts. The booklets were usually read thoroughly because they were full of human interest, showing, as they did, the actual results of real savings plans used by individuals of all classes.

An eastern trust company has devised a form of security which it calls the "Coupon Certificate of Deposit," to meet the needs of "short-time investors." These certificates are payable in one or two years from the date of issue and bear interest at 4%. They were fully described in a six-page booklet which was put out. In the back was printed a facsimile of one of the certificates. This booklet presented the proposition from all angles, and new business was secured through it.

HERE'S A USEFUL AND LIFTABLE IDEA FOR ANY BANK REGARDLESS OF SIZE

A booklet in which a detachable page formed a postcard to be used as a fur-storage order brought considerable business for a live eastern bank. This booklet was entitled "Three Risks—Moths, Fire, and Theft." Other booklets that have brought results in the same department are reproduced in the same figure. All of these booklets are educational as well as direct bids for business, and usually cause the prospect to realize that he can use the services of the bank to advantage.

Prospective clients of trust services are almost always sure to bring up the question of the cost, which apparently gets only general or indefinite treatment in most advertising literature. Many bankers have found it helpful to state in advertising trust service the exact legal commissions of executors, trustees, and other fiduciary agents. One trust company found that where commissions were stated in the form of percentages some prospects were confused. This

trust company has substituted fractions in its literature. For example: "The commissions of an executor or trustee are fixed by the state of New York as follows: On the first $1,000 of the estate, 1-20, and so on."

The day after a small trust company in Indiana sent out pamphlets containing a synopsis of the service it was prepared to furnish two inquiries were received, one of which ultimately placed a large estate under its care. This business alone justified the expenditure of $125 for the entire campaign.

Five purely educational booklets making up the "Library of Banking" of a large eastern trust company, were distributed among school children. One of them for example, was entitled "What is Money?" This booklet gave the definition and origin of money, told of its various uses, development, and the like, and gave a table of money values in the countries of Europe compared with the American dollar. The last sheets in the booklet were devoted to the bank's advertisement.

The value of these booklets was immediately recognized. As a result, hundreds of requests for copies were received from school teachers throughout the country. The bank followed this campaign up by placing enough booklets in the schools to supply many pupils. At the time of the investigation they were being used as text books in the schools as well as in those of many other cities.

After the assessments for1916 were made an Indiana trust company employed a man to compile a list of real estate owners paying taxes on property valued at $10,000 or more. These names numbering about 2,000 then were printed in booklets. The bank sent the booklets to real estate dealers, insurance agents, and lawyers in the city. In this compact form the information was extremely valuable. The courtesy was appreciated and, aside from cementing general good will, it attracted considerable new business.

Investigation showed that in nearly all banks advertising with direct mediums, blotters, calendars, and other enclosures are used effectively to build good will and to secure the attention of prospects. As with novelties, the utility of these mediums is considered of great importance. If they can be used for a practical purpose they usually will be highly appreciated.

THIS SORT OF ADVERTISING HAS BUILT BUSINESS FOR MANY BANKS

A national bank in the East sent out desk blotters resembling blank pocket checks. These were bound in cardboard covers like a check book. On the cover was printed "Blot out your debts." On the checks was printed "You will find these checks good blotters. Keep them on your desk. If you need any more we will give them to you gladly. Our depositors say that our check books prove excellent debt blotters—we would be glad to give you one of our check books."

Mediums of a similar type have been found effective when handed out in connection with personal campaigns for new business. This fact apparently is especially true of campaigns in industrial sections or among school children. Two solicitors for an Indiana bank who visit stores, schools, and factories, never fail to carry large quantities of advertising matter of this type.

As mediums for promoting savings contests, pamphlets, circulars, or booklets apparently are effective, but in most cases they must be linked up with general campaigns. An example can be seen in the plan of an eastern trust company which circularized sailors with booklets and backed them up by personal solicitation.

At the time of the investigation made preparatory to the issuance of this volume this bank had deposits from sailors on the Great Lakes amounting to more than $1,000,000. "Stow your bank roll in a safe place and you'll be in proper trim for dirty weather," was one of

the coined phrases which attracted favorable attention. It was printed on the frontispiece of a booklet entitled "Battening Down." Above it was a photograph of a sailor with a pair of marine glasses on the lookout sighting a "derelict on the port bow, sir."

This booklet played an important part in the promotion of a contest among ship crews, in which the contestant saving the largest percentage of wages received was awarded a prize of $50.

The booklets were circulated through the mails and many boat captains also helped to distribute them. In addition to outlining the rules governing the contest, they told a story of how a young sailor saved regularly for one year and at its end had $447.19 to his credit in the bank. They showed graphically how interest accumulates, and outlined the bank's plan for collecting and handling sailors' savings accounts.

This plan was first used in 1911, when there were 391 sailors' accounts. Since then it has been used every year and has produced increases as follows:

Year	Number of Accounts
1911	391
1912	909
1913	1,145
1914	1,340
1915	1,942

So, in effect, it is much the same with booklets, enclosures and circulars as it is with other advertising—it is of prime importance first to find the right appeal, and then go after it in a human-interest way.

CHAPTER X

HOW TO USE A HOUSE ORGAN

"OUR BOOSTER," a four-page house organ issued monthly by a state bank in a Kansas town of less than 1,000, was the main feature in an advertising campaign which helped to increase deposits 72% in three years. The paper was prepared by the cashier. Of the 1,000 copies printed, about 800 went out by mail and the remainder were handed out at the bank. The cost of issuing the organ approximates $190 a year.

"Originally our house organ was designed to get the small stockholders to work for the bank," said the cashier. "They seemed to be willing enough, but did not know just what they could do to help us. Each month we made some suggestions and the results were apparent within a very short time. The stockholders welcomed the paper, used the suggestions, and became more interested in the bank.

"The house organ was the tie that bound the stockholder most closely to us. When deposits grew and the business of the insurance department increased beyond our expectations it was decided to extend the little paper's circulation to include all our customers and a list of prospects as well. We bought a hand-addressing machine to simplify the work of mailing."

The methods used by this bank in putting out a little paper of its own can be employed in almost any bank. There is, however, apparently a feeling among many bankers that the house organ often does not bring returns commensurate with the time and money involved

in producing it. But the experience of this Kansas bank indicates that when the bank magazine is based on an organized plan, it is a medium which is a powerful agent in spreading good will and in getting new accounts.

If the house organ is to be successful it is necessary for the banker to work out a definite plan for its production, and then adhere faithfully to it. He first should determine the proper nature of its contents, its size, cost of production, and the methods of distribution. A study of his territory along the lines of that described in Chapter I will give him an abundance of material with which to develop more friends and bigger business.

"Our Booster" is printed on a medium grade of paper. The pages are 5½ inches wide and 8½ inches long. Up to the time of the investigation no cuts or illustrations were used. About 1,500 words, including single line headings, are required to fill the space. It can readily be seen that the work of preparing it can be done in a short time.

Most of the copy is written by the cashier, although each member of the bank staff is expected to contribute suggestions and items. Occasionally contributions are received from customers. In all copy the personal element is strong. The cashier has a close-up view of his field and is able to put neighborhood atmosphere into every line.

It is interesting to note the contents of a typical issue. On the first page is a table showing the progress os the bank from the time it opened. On July 30, 1916, deposits were $228,144.21. The official statement for March, 15, 1917, shows deposits of $267,390.93.

Following this comparative table is editorial comment directed to the stockholders. On the second page is an item showing how a customer bought a short-time grain insurance policy, together with the rates, on policies of this sort, and a short insurance report on

crop damage from hail and also from the Hessian fly.

On the third page are "business-getting suggestions," a clipping from a farm paper on "Starving the Hessian Fly," and an item about a local sale of cattle. On the last page is a clipping from a bankers' magazine entitled "Talks on Thrift," and an item about insuring cattle.

In most of the issues half a page or more usually is devoted to items of local interest which are linked up with bank service. These are headed "Interest Items." An example is given here: "L. M. Snow, whom we are proud to claim as a customer, is putting up a silo and is going to stock his farm with a herd of good milch cows. Sounds good for future profits for Mr. Snow and future deposits for us."

HOW ONE BANK USED ITS HOUSE ORGAN EFFECTIVELY TO BUILD BUSINESS

Recently the bank organized a "hog contest club" through this house organ. It furnished each of 40 boys between the ages of 10 and 16 years with a young, pure bred hog. The conditions of the contest provided that the animals should be attended only by the contestants. When the hog was sold, the boy agreed to repay the bank and also to place one tenth of the selling price in a savings account, this amount to be withdrawn only for reinvestment in some farm animal and only after getting the bank's consent (Figure 44).

In addition, all members of the club were expected to keep an accurate account of the market value of all food given to the hog so that the bank would know how much it cost to raise the animal and what profit was made. Each member was expected to write the story of the pig's life, telling just how he had taken care of it, what he had fed it, and all other interesting items in connection with raising the animal.

The progress of the contest was reported regularly in the house organ, and excerpts from a number of the

Our Booster.

VOL. 4, NO. 6. DECEMBER, 1916. JEWELL, KANSAS.

Published Monthly by the Citizens State Bank, Jewell, Kansas, for the information of its stockholders and customers.

OUR "PIG CLUB" EDITION

This bank since its beginning has bid for the business of the young man. Of late years we have made strong campaigns to get our young people to start savings accounts. This we have found comparatively easy. We have written many new names in our depositors' ledgers, but the trouble has been so many have fallen by the wayside. It is no special advantage to a young man to open a savings account if he withdraws and spends his money the first opportunity or temptation that offers. This bank was organized with the idea that all the people should have a bank which they could call "our bank" just as they trade at a certain grocery and call it "our grocery." We have tried to live up to our slogan, "This is a Good Bank for You," with what degree of success we leave you to judge. We have not succeeded however, in getting our young people to appreciate the advantage of a savings account faithfully saved and religiously added to. A savings account may be one of the foundation stones of your future fortune, but if it is you must learn to regard it as a sacred fund not to be drawn out of the bank except for investment or extreme necessity. It may grow slowly but if it is always growing it is sure some day to land you safely through the door of Opportunity.

We are this week starting a new plan by which we hope to interest a large number of our young friends in a permanent savings account.

THIS IS OUR "PIG CLUB"

We propose to furnish to any boy in our territory between the ages of 10 and 16 years a pure-bred pig, immune from cholera, which, with his father's consent, he shall care for as his very own, and when sold he will repay us and place one-tenth of the selling price of his hog in a permanent savings account to be withdrawn only for re-invest-

Figure 44: Here is reproduced the first page of a house organ put out by a small bank in Kansas. It is simple and effective. The "Pig Club," by the way, attracted much interest and gained many worth while accounts for this bank.

Figure 45: All of the house organs reproduced here have developed new business and created good will for banks. Each of them contains educating and entertaining material which binds customers and helps to attract prospects.

contestants' letters were printed. The contest not only taught the boys and girls a lesson on thrift but also impressed them with the value of blooded live stock. As a result, county-wide interest was created.

Not long ago this bank announced the establishment of a circulating library in the house organ. The plan provided that books could be taken from the bank and kept two weeks by any resident of the county. All the books covered practical subjects, such as "Farm Management," "Judging Live Stock," and the like.

The names of new books in the library were printed in the house organ, thus keeping the customers and friends of the bank informed. When this volume was being prepared, the library was patronized by persons from both the town and county. The bank considered the plan one of the most helpful it ever inaugurated.

When circulated regularly the house organ has almost unlimited influence for building business. This is true of the industrial as well as the agricultural community, although, of course, the subject matter usually must be vastly different in appeal. Investigation indicates that many banks in various parts of the country issue house organs similar to the one already described. The majority, however, prefer to buy syndicated organs rather than to prepare their own.

HOW TO USE A SYNDICATE (PREPARED) HOUSE ORGAN TO ADVANTAGE

While syndicated (prepared) organs may, perhaps, lack the individuality and personal elements of these prepared by a bank for its sole use, they apparently are effective in familiarizing prospective patrons with the various banking functions and the value of the service given by banks and trust companies.

A small bank in a manufacturing suburb of Chicago issues monthly a house organ of six pages, 3½ by 6½ inches. Of the 2,000 copies distributed every month,

1,500 are mailed to customers and prospects and 500 are given out at the bank. In one issue the house organ led off with a story of how a widow saved enough money to send her daughter to college. Following this was a series of plans for saving. The last page contained a direct appeal to save, together with the name of the bank and its officers.

The house organ issued by a savings bank and trust company in an industrial section of a large middle western city is prepared, and the printing directed, by an advertising agency. It is 9¼ inches by 6½ inches in size and contains eight pages of reading matter, cartoons, and advertisements, which deal entirely with savings. The cashier, who directs the bank's publicity, makes suggestions to the advertising agency from time to time on the organ's contents. One-column proofs of the reading matter are sent in advance to him and he rejects material he does not want printed. He also suggests the location of both the reading matter and the displays. He says he finds by inquiry among the customers that the cartoons are one of the most satisfactory features of the little paper.

When this house organ was first issued, a mailing list of prospects and customers was circularized. However, many were returned by the post office marked "moved, no address," and so forth, so at the end of three months the plan was abandoned.

A small section of the bank's territory then was selected and the house organ was circulated from house to house. Results were so apparent in calls for the paper and in the opening of new accounts from foreigners employed in the district, that the campaign was extended throughout the territory. The books were distributed by young men living in the vicinity for $1.50 a day. The entire cost of the distribution under this plan was about $7.50 an issue.

With nearly all small city banks which use house

organs, circulation for the organ is obtained through house-to-house distribution. Many bankers find that they can cut the cost of distribution materially by sending the publications out by dependable employees. A bank in Wisconsin distributes 2,000 copies of its house organ in this manner every month. To mail this number would cost about $20 a month, not including envelops and the work of addressing them. This expense has been cut to $6 by having them distributed by boys.

THESE PLANS FOR USING HOUSE ORGANS HAVE BEEN FOUND EFFECTIVE

A community bank in a large middle western city distributes 2,500 house organs monthly at a cost of less than $500 a year. A previous analysis of the field like the one described in Chapter I convinced this bank that the greater part of the population in its immediate vicinity was composed of factory workers and laborers. Their house rent averaged about $25 a month and their wages about $3 a day. In most of these households there were but few magazines. The banker therefore decided that an attractive house organ would be appreciated.

"The number of calls we have had for these house organs proved that we were right," said the president of this bank. "And when we give them something they like we are gaining their good will.

When the house organ is entirely prepared at the bank, there naturally is a better opportunity for injecting personality into it. The bank then is able to treat the affairs of its neighborhood with an intimate touch. A complete campaign can be outlined from month to month providing for personality articles, seasonable articles, contributions from readers, local news, definite class appeals, comment on financial conditions, illustrations, explanatory matter about the bank, and so on.

Notable among organs of this sort is "Service," issued by the Mississippi Valley Trust Company of St. Louis. The intimate relationship between a trust company and its customers is set forth in attractive form, through breezy conversational fiction and by relating actual experiences.

House organs serve another valuable purpose. They often cultivate loyalty, a "family spirit" among employees of the bank. Take, for example, "The Pyramid" issued by the Bankers Trust Company of New York, or the "The Guaranty News" issued by the Guaranty Trust Company of New York, or the "You" issued by the Cleveland Trust Company of Cleveland, and many others. Results secured by all of these companies indicate that the house organ is a strong factor in encouraging members of the staff to greater effectiveness.

House organs have been used effectively in promoting account-getting contests among bank employees. One contest, that of the Fidelity Trust Company of Kansas City, developed 250 new accounts. A suggestion contest also was held.

In order to get material for a house organ, usually newspapers and financial journals may be read without a waste of time for interesting items, which can be clipped and transferred to the folders.

It usually will be found a simple matter to decide on the size and style of the organ, to select paper stock, to get prices, and finally, to contract for the organ's publication. Then, by carefully supervising the preparation of the reading matter and the advertising, and by making a clerk responsible for furnishing local items of interest, the house organ can be made a strong weapon in getting new business.

PART III

GOING AFTER ALL THE BUSINESS

AUTHORITIES AND SOURCES FOR PART THREE

Chapter XI. First National Bank, Grand Rapids, Wisconsin; Union Trust Company, St. Louis, Missouri; Alameda Savings Bank, Alameda, California; Spokane and Eastern Trust Company, Spokane, Washington; Guardian Savings and Trust Company, Cleveland, Ohio.

Chapter XII. Security Trust Company, Detroit, Michigan; Second National Bank, Toledo, Ohio; Bowery Savings Bank, New York City; St. Louis Union Trust Company, St. Louis, Missouri; Fletcher Savings Bank and Trust Company, Indianapolis, Indiana.

Chapter XIII. First National Bank, Las Vegas, New Mexico; Merchants Bank, Vicksburg, Mississippi; Wachovia Bank and Trust Company, Winston-Salem, North Carolina; Plymouth County Trust Company, Brockton, Massachusetts; Traverse City State Bank, Traverse City, Michigan.

Chapter XIV. American National Bank, Richmond, Virginia; Greenebaum Safe Deposit Company, Chicago; Northern Trust Company, Chicago; Cleveland Trust Company, Cleveland, Ohio; Mississippi Valley Trust Company, St. Louis, Missouri; Continental Trust Company, Baltimore, Maryland.

Chapter XV. Citizens State Bank, Anderson, Indiana; Peoples Savings Bank and Trust Company, Chicago; Mason County Bank, Havana, Illinois; Ohio Savings Bank and Trust Company, Toledo, Ohio; Second National Bank, Toledo, Ohio; First National Bank, Princeton, New Jersey.

CHAPTER XI

WINNING THE ACCOUNTS OF WOMEN AND CHILDREN

ONE eastern savings bank secured 259 juvenile depositors out of a single school enrollment of 412 children. Within three months the youthful depositors had deposited to their credit more than $2,200. Of the two hundred odd, 188 saved $1 or more within the three months. The remaining 71 were still "on their first dollar." The success of this bank's thrift plan, typical of results secured by it in other schools of the city, lies in constantly urging pupils to save pennies.

Many of these accounts amounted to less than $1 when opened and actually represented a loss when the costs of stationery and clerical hire were considered. But after accumulating for about a year, they began to show a small profit.

"We have been painstakingly patient in building up this branch of our service," declares the president of this bank. In many of the schools the children often collect and sell old papers and magazines and old metals, peddle newspapers, and perform many of the usual childish tasks whereby they can turn a penny into their savings accounts."

In opening this campaign a representative of the bank first calls on the school principal and the teachers. After getting promises of their assistance, he arranges to talk to the children in the schools. This talk is supplemented with talks by the teachers, and by the distribution of thrift pamphlets and booklets which

the bank furnishes. Arrangements are then made to take up a weekly collection of the children's savings. This money is handed to the teacher and the youthful depositors receive a card which they retain until the individual savings amount to $1 or more. After the account passes the $1 mark, the child receives the regular pass book (Figure 46).

When the deposit exceeds $1, the child is given a deposit ticket. This slip is turned over to the bank runner, who usually calls at the school once a week and enters the deposit in the regular pass book, which is returned to the child.

If the child wishes to take out his money, he is given a withdrawal slip something like a check, except that it is witnessed by the teacher or principal of the school. In this way the bank provides an effective retardation on withdrawals, because the child is obliged to tell why he wants to take his money from the bank before he can withdraw it.

This plan inculcates habits of thrift and at the same time gives the child an insight into the workings of the bank. Since the boy and girl have the assistance of the principal and teachers, they are more inclined to save. The good will created for the bank is also of great value, because the plan establishes it firmly in the minds of the children.

Personal letters are sent by the president of the bank to the parents of the children from time to time telling how the small accounts are growing. Letters are also sent direct to the children urging them to save, and this plan also increased deposits.

Banks throughout the country, the investigation indicated, are devoting much attention to the development of savings accounts among children. While these accounts are often a loss at the opening, consistent and persistent publicity effort generally will help to produce satisfactory returns.

REGULATIONS

"Take care of the pennies and the dollars will take care of themselves."

Deposits will be received every *Monday only*, at the morning session, by the teachers of each school. The amount will be delivered to the Principal, who will deposit it in the

First State Bank

Savings Bank in the name of each depositor.

One cent or upward can be received by the teacher. When a pupil has a deposit of one dollar or more a bank book will be given, free of charge from the bank.

Deposits of three dollars and over will bear interest at..... per cent per annum.

The bank books of the pupils are in charge of the Principal or Teacher while they attend school. When the pupils leave school, and also during vacation, their books will be given to them. The check for the withdrawal of money must be signed by the pupil, and also by the Principal, teacher, or parent. During the summer vacation deposits may be made and money withdrawn from the bank direct, the Cashier acting during that time for the teacher. Should the applicant be unknown to the Cashier, he must be identified before receiving the money.

"The masses know how to save better than they know how to save."

"Good principles and good habits are in themselves a fortune."

SCHOOL SAVINGS BANK

— OF —

Alameda School
8th Grade

U. S. A.

Account with

Henry Rawson
Helen L Stanley
Teacher

"The habit of saving is an essential part of a true practical education."

Depositors are requested to keep this card always clean, remembering that cleanliness is next to Godliness.

DATE OF DEPOSIT	AMOUNT $	AMOUNT cts.	DATE OF DEPOSIT	AMOUNT $	AMOUNT cts.
191			191		
September 4	1	25	December 4		
September 11		75	December 11		
September 18		85	December 18		
September 25	1	10	December 25		
October 2		25	191 January 1		
October 9		55	January 8		
October 16		60	January 15		
October 23			January 22		
October 30			January 29		
November 6			February 5		
November 13			February 12		
November 20			February 19		
November 27			February 26		

DATE OF DEPOSIT	AMOUNT $	AMOUNT cts.	DATE OF DEPOSIT	AMOUNT $	AMOUNT cts.
191			191		
March 5			June 4		
March 12			June 11		
March 19			June 18		
March 26			June 25		
April 2			July 2		
April 9			July 9		
April 16			July 16		
April 23			July 23		
April 30			July 30		
May 7			August 6		
May 14			August 13		
May 21			August 20		
May 28			August 27		

Figure 46: This small card "booklet" simplified the work of conducting a school savings bank for many banks. The entire folder is reproduced here. By this plan each child can tell just how much has been deposited. Note that the booklet is copyrighted.

This bank keeps up interest in its savings plan by holding contests at different times during the year in which cash prizes are given away. These contests are advertised in the newspapers and in circulars which are distributed throughout the city. The children always have manifested lively enthusiasm and each contest develops many new accounts:

HOW ONE BANK GOT CHILDREN INTERESTED IN ITS SAVINGS DEPARTMENT

A "children's money-earning contest" was held not long ago. Cash prizes were offered by the bank to those who submitted in writing the best plans for earning money. Here is how three children earned money, as described in their letters to the bank:

> I am ten years old. I live on a farm ten miles from your city. You will find enclosed the one dollar that I earned to send you as a saving deposit.
>
> I will tell you how I earned It. First my Mother had a job of whitewashing and she thought it would cost two dollars to hire it done so she told my brother and I that she would pay us if we could do it. It was quite a large building, but we did it all right. The lime ate holes in my fingers before I was done and I had to quit until my fingers got a little better, and then I finished. We had to stand on a table to reach, and it was such a hard job my brother wanted to give up. My Mother gave us thirty-five cents a piece.
>
> Second, I earned five cents for staying home when we had a program at our school and I took care of the small children. I wanted to go very bad because M. W. W. Clark spoke.
>
> Third, I earned fifteen cents cleaning out a big wagon load of dirt and manure out of the chicken house, and there was something in there that stunk worse than a skunk and I could

hardly get my breath when I was in there. And the rest I earned helping a farmer get in part of his potato crop. He lived two miles away and I walked. I have three brothers and two sisters.

I have earned my dollar and it wasn't an easy job.

We planted about three lots in corn, potatoes, and beans and other seeds. My Brother and I are too young to fight for Uncle Sam so we thought we would plant some seeds to help feed the army.

I will give you a list how I earned my dollar.

I got five cents for running an errand and I got five cents for washing the auto. I got 10¢ for pounding rugs and I got 5¢ for emptying the wash tubs.

Mrs. Billmeyer gave me 20¢ for dropping a lot of potatoes, 10¢ for dropping corn, 15¢ for planting beans. I got five cents for wiping dishes for a week. I got 30 cents for picking potato bugs, 10¢ a hundred. Now I can earn fast picking bugs, but before it was hard to find work for there are so many boys you know.

I am nine years old and I live on the corner of Weilly and 11 St. North. My name is Harold Billmeyer.

I am 12 years in February. I chase cows every day, and it is four miles a day. I can plow the ground. I disk and drag. I go to the factory every morning with the milk, and every other day I go and get sweet whey for the calf. In summer I cultivate potatoes and corn. I milk two cows. I help spread manure in the Field, and I cut the lawn. I pick many weeds in the summer. I like to work on the

> farm. I get one cent a day. And I work hard for the money. I have seven dollars and 33 cents in the bank. I been chasing cows in three years. I like to work on the farm.

After the opening of the contest was announced in the newspapers, hundreds of children came into the bank to inquire about it. The officers took this opportunity to tell the youngsters how easy it was for them to put their pennies in the bank and thus get a good start toward a substantial account.

The contest ran for a month and brought in more than 50 letters from children in the city and the country districts.

Here is how some of the other children earned money for their accounts:

Drowning two cats	10¢
Washing dishes, at 1¢ a day	10¢
Selling radishes, at 1¢ a bunch	15¢
Caring for neighbor's baby	25¢
Picking potato bugs, at 1¢ a day	12¢
Planting cucumbers	5¢
Digging fish bait	10¢
Sewing carpet rags	20¢
Hemming four dish towels	10¢
Doing chores, at 1¢ a day	14¢
Washing auto	5¢
Weeding garden	5¢
Picking potato bugs, at 10¢ per 100	30¢
Whitewashing shed	35¢
Cleaning chicken house	15¢
Carrying father's dinner every day	20¢
Picking up chips	1¢
Raking hay	5¢
Finding and selling old iron	21¢
Picking up rock	5¢
Pumping water	20¢
Raising pet rabbits	25¢
Planting corn, at 5¢ a row	50¢
Running errands, at 5¢ each	20¢

Milking, at 1¢ a cow	5¢
Not missing school all winter	35¢
Catching crows, gophers and mice, at 1¢ each	6¢
Delivering papers, at $1.50 per week .	$3

After the contest was closed, the letters were submitted to a committee of judges. The winners were announced in the newspaper and this declaration was followed by a personal letter, signed by the vice-president, to the winners, and also to the other children who sent in letters. These letters follow:

Ruth Coffey,
City.
Dear Ruth:

We are very glad indeed to announce to you that the Committee has awarded you First Prize in our Boys and Girls Money-Earning Contest.

Enclosed you will find our check for $3 and we hope that this will assist you very much in saving a nice sum for use when you grow a little older.

We hope you will continue your very good work in earning money, and that we may see you in the bank frequently and become well acquainted.

Russell Cole,
Arpin, Wis.
Dear Russell:

You will see by the announcement through the paper, that the Committee which examined the letters in our Boys and Girls Money-Earning Contest have awarded the prizes.

We are very sorry that they did not give you one of the prizes, but of course, everybody could not receive them. You have worked hard, and done very nicely in earning the money as you did. We hope that you will continue this good work, and come into the bank frequently so that we can become well acquainted.

"The children who took part in the contest were very enthusiastic about it," said the vice-president. "It caused a lot of favorable comment and we gained some very good advertising out of it, which, after all, was the main point. Most of these small, new accounts will grow and they will attract others."

The principals of the public schools in St. Louis are invited by the Union Trust Company of St. Louis to send classes in the higher grades to inspect the bank.

When a class of pupils calls at the bank an officer takes them to the various departments and explains what sort of work each department handles. In the bond department, for instance, they are told the meaning and purpose of bonds, and in the trust department the functions of a trustee are explained.

After the children make the rounds of the bank they are escorted to the directors' room, where they are shown just how the administrative end of the bank's business is handled. Under the direction of a bank officer, the children elect officers and directors corresponding to those in banks. The sort of business that usually comes before the directors is then brought to the attention of the children. This embraces applications for loans, discussion of business conditions, and questions of general policy.

"We cannot put our finger on any definite results from this plan," says an officer of the bank. "We have not tried to develop immediate, tangible returns. Its sole purpose is to acquaint the children with our bank so that they will remember us when they leave school. It has been very satisfactory. Young men and women who have completed their school work often turn first to us when they want financial advice. In this way we secure many new accounts."

The banks of Alameda, California, "go to school" every day as instructors to hundreds of school children. The banks go farther than simply to stimulate the

thrift habit; they show how the bank actually works and how a knowledge of finance is necessary to old and young alike. This plan has developed, in two years, more than 2,400 accounts with deposits of nearly $9,000.

HOW BANKS COOPERATE WITH SCHOOL AUTHORITIES TO TEACH CHILDREN TO SAVE

As a beginning the school department adopted the use of gummed stamps with a face value of 1 cent each. These were given to the school principals who sold them to the pupils in any quantity desired. The children pasted them in folders and when 100 stamps were accumulated, the principal issued a check for $1 to the pupil who then deposited it in either of the two banks in the city.

This plan had been in operation only a short time before the results were so striking that it was decided to enlarge it. Since the stamp system involved much clerical work it was discarded.

There are eight schools in the city and under the new plan each is assigned a regular banking day. On that day the pupils bring their dimes, quarters, or half dollars to school.

Each boy or girl depositor is provided with a card that serves as a pass book. The cards are taken to the teacher with the amounts to be deposited. Each teacher makes a record of these deposits on a form furnished by the banks, and the list is then sent to the principal's office. When all the deposits have been made, a report is filled out showing the total deposit made by each teacher.

A committee of pupils, usually consisting of four members, takes the teachers' lists and from them makes out a separate deposit slip for each child in the kindergarten and the first three grades. From the fourth grade up the pupils make out their own deposit

slips. They indicate in which bank they wish to deposit their savings.

These sums are then credited on the children's pass books, and also on duplicate pass books which are kept in the principal's office. The original pass books are returned to the teachers for redistribution, and the teachers' lists, the deposit slips, and the cash go to a pupil who acts as cashier. He checks all deposit slips against the teachers' reports and the amounts received, and if they balance the reports are returned for further use.

Next, the individual deposit slips are posted to a loose leaf journal, the balances extended in the margin, and the postings made to individual ledger cards. The ledger cards and cash are then taken to the banks designated and the deposits made to the account of the "Alameda School Savings System."

At the banks the balances shown on the cards must, of course, check against the total shown on the bank's control account. The original cards are left at the banks and duplicate sets returned to the young bankers, who post them the following day, carry out the new balances, and compare them with those already in the journal.

Posting from the slips to both sets of books furnishes verification. The totals are posted also to a control account, which shows the bank balances existing to the credit of the system. A daily balance sheet, a copy of which goes to each bank, also is made out, recapitulating the daily receipts and payments, the balance at each bank, and the number of open accounts for each school.

Withdrawals also are handled systematically. To draw out $1, for example, a pupil must fill out a blank, which is sent to the principal of his school. The principal checks up the account to see that there will be no overdraft and if the pupil has a sufficient

balance the demand is O. K.'d. The pupil then must get the signature of his parents or guardian, after which the school cashier issues a draft for the amount.

Fifteen years ago a western trust company instituted a school savings of a different type than those already described. Today it has 5,500 accounts, with total deposits of $96,800. In 1916 the system gained 1,400 new accounts, which increased the deposits $24,800.

WITH THIS PLAN 1,400 CHILDREN'S ACCOUNTS WERE GAINED IN A YEAR

The method used by this bank is to have one of its officers visit each of the 35 public schools at least twice a year. An occasional advertisement in the newspapers tells of the system and personal letters also are sent to the children from time to time. In all publicity the advantages of thrift is emphasized.

This bank gives each pupil-depositor all the privileges and courtesies that are extended to the older and more prosperous depositors. Each teacher makes out a weekly report of the money received from each pupil, together with a duplicate report which is filed in the school principal's office. The original reports with the cash deposits then are handed to the principal, who sends it to the bank.

The presentation of trophies also often serves to gain the attention of the boys and girls to a bank. Five years ago, for instance, the city of Cleveland established skating contests between its high schools. A trust and savings bank presented the city "The Guardian Way" ("Guardian" is the bank's trade name) trophy for the school winning the largest number of points each winter. Any school winning the contest three times was to retain the cup permanently.

At the annual athletic rally another handsome cup is presented to the winning school by this bank. This event is always the occasion for a big gathering of

people and the bank gets much desirable publicity.

The Interscholastic Debating League, which is composed of debating clubs representing each high school in the city also competes for a "Guardian Way" trophy. There are 24 debates held over a period of three years. The winning school retains the cup permanently.

From the standpoint of many bankers there is, perhaps, no immediate gain in a school savings plan, but methods like those outlined normally help to educate a large number of potential depositors who probably later will develop into profitable customers.

The development of new business among women, while of comparatively recent growth, is characterized by many helpful and aggressive methods that are adaptable in almost any bank, investigation indicates. Separate departments to handle the business of women have been created by many banks. They provide arrangements for the segregation of a lot of small accounts into departments where special methods can be used in taking care of them. They also furnish a place where the women can do their banking business with greater convenience than in the main lobby.

In many banks the women's department frequently is run at an apparent loss. A banker in Michigan, for example, found that out of 100 women's accounts, the number showing an average balance of $100 or more was only nine, leaving the remainder to be handled on a basis where there was little possibility of making a profit. But there may be, of course, one account in every 100 where the balance is so large as to overshadow the smallness of the others, and, the accounts of many women often have a strong direct relation to some large commercial balance carried by a firm or individual in another department of the bank. Thus, women's accounts often possess greater value than appears directly on the books.

A large Eastern bank finds that the establishment of a separate department devoted exclusively to women strongly influences good will. This bank is in the heart of the shopping district and its convenient location frequently is emphasized in a series of personal letters put out on a special mailing list as outlined in Chapter VI. The department is conducted by women and has a separate entrance. A special room, distinctively and appropriately furnished, is provided for the transaction of business with ease, comfort and privacy. A sewing table, a work basket, a low, restful lounge, comfortable chairs, and a few illustrated books—some of them about banking—help to command interest and attention.

HOW A GET-AHEAD EASTERN BANK MADE AN EFFECTIVE APPEAL TO WOMEN

If a patron wishes to put a stitch in her glove or to mend a skirt binding, if she wishes to adjust her hat or dress her hair, this service of the bank becomes a highly appreciated one. In addition to this equipment, there are the regular accessories of a customer's room —a calendar, telephone, and railway and steamship guides.

In appealing for women's business this bank finds that in addition to providing the exclusive department, a supply of delicate and distinctive stationery is appreciated. Different sized check forms and holders, letterheads and envelops daintily engraved, and novelties—usually in the form of looseleaf shopping memorandum books bound in leather—have proved popular.

"We employ women in the teller's cages in the women's department, despite the fact that they have not had the regular course of training in other departments as have the men," says a western banker, "and we are fully satisfied with their work. I believe that

in this special field they are better than men, although, of course, the women selected should be of even temper and possess considerable tact. They must be willing to perform many unusual tasks ranging all the way from selling stamps and weighing customers' mail to running errands now and then for their patrons."

The women's department in this bank has about 18,000 accounts and all of them are taken care of in one ledger. Most of these accounts are not very active, ranging from 15 to 25 checks a month and they are easily handled by one bookkeeper and an assistant.

Overdrafts usually are a vexing problem in a women's department. It is said that more checks usually are returned from this department because of insufficient funds and more overdraft notices are sent out than from all the other departments combined.

Not long ago a woman was notified by a Missouri bank that she had overdrawn her account. She called at the bank, wrote out a check for the amount of the overdraft notice, and, without depositing on the account, presented the check to the paying teller. The teller happened to be unaware of her overdraft and gave her the money. She took the money to the manager of the women's department. The manager explained the error and succeeded finally in having her deposit more funds. This incident indicates, of course, that sometimes women patrons can be instructed in banking methods to advantage, but the instruction of course, must be given tactfully. By sending out a personal letter calling attention to the overdraft rather than the usual stereotyped notice, many banks have lessened this abuse. Such a letter follows:

Dear Madam:

The bookkeeper has called to my attention the fact that your account has been overdrawn.

While, of course, we want to make every effort to give the best of service to our

depositors, you will readily realize that in fairness to other depositors, as well as to the bank, we are forced to call this overdraft to your attention.

Will you please deposit $—— to your account at once?

The problem of collecting exchange charges on checks deposited by women often is serious because many women protest against the charge. It is customary, therefore, in some banks, to absorb many exchange charges and thus avoid arguments about the "whys" and "wherefores" of the charges which might lead to lost business.

Notwithstanding these apparent disadvantages, the development of women's business both by advertising and by special conveniences at the bank, normally is certain to widen the bank's prestige. When the bank gains the good will of women, it often lays a foundation for the savings of the children and, also, it very often influences profitable business for other departments especially the safety deposit and trust departments.

At Christmas time a woman representative of one bank visits many department stores and offices in the city, meets the employees, and distributes circulars among them. By calling attention to the conveniences provided for women by the bank, and offering to help them in using the bank's services, she has secured deposits in four years of more than $125,000. One year she organized a club of working girls and 2,400 enrolled.

"I make no contract with the bank to deliver a certain number of accounts," says this woman, "but I agree to put in five hours each day soliciting deposits. Sometimes I distribute circulars or booklets.

"I visit both stores and offices and I can almost

say that I have yet to be turned down by the head of a firm or to be received with discourtesy. All of the employers I have met seem anxious to have their employees save and are glad to have them become members of a thrift club. At some stores I talk to the employees only at the lunch hour. At others I go through the store and pick out the employees who are not busy and talk to them.

"An example of how these talks impress is shown by one girl's action. She came to the bank with $50 to deposit and told the teller that I had talked to her two years before. She also brought a friend who opened an account."

A large Ohio bank which has built up a profitable business in women's accounts sends out letters of this type about four times a year to a selected mailing list of 10,000 names:

Dear Madam:

It is the ambition of every wife to be a successful helpmeet, and the secret of this lies in the right beginning.

The establishing of a savings account is one of the first essentials in the home. The wife who can show that she is a systematic saver is at once recognized as a capable and efficient manager.

Another valuable aid is a personal checking account. It is convenient because you can fill out your check for the exact amount of the bill and mail it, thus avoiding a personal trip. It is safe, because it relieves you of the necessity of carrying large amounts with you with the consequent danger of loss. It is businesslike because you can always know the balance on hand, and the canceled check is usually an undisputable receipt.

We are prepared to serve you in any financial way and we extend to you a cordial invitation to call and become acquainted.

WOMAN'S ACCOUNT { WIFE / MOTHER / DAUGHTER } OF _____

INTRODUCED BY _____

ACCOUNT FORMERLY KEPT AT _____

REASON FOR CHANGING _____

NOW KEEP OTHER ACCOUNTS AT _____

AUTHORIZED BY _____

INTEREST RATE _____ % _____

REMARKS _____

Figure 47: This card enables an Ohio banker to get valuable leads for new business from women. It is made out when the account is opened and is always ready on file.

NAME { MR. / MRS. / MISS } _____

OPENED _____ 19 __ LEDGER ____ CLOSED _____ 19 __ LEDGER ____

OPENED _____ 19 __ LEDGER ____ CLOSED _____ 19 __ LEDGER ____

OPENED _____ 19 __ LEDGER ____ CLOSED _____ 19 __ LEDGER ____

BUSINESS _____

BUSINESS ADDRESS _____

RESIDENCE _____

STATEMENT _____ PASS BOOK _____

Figure 48: Here is the other side of the card shown in Figure 47. It provides for additional information thus permitting a close check-up on the account and it often saves money for the bank.

The names on this list are selected from the main lists of the bank. For instance, Alvin Craig may be a depositor in the commercial department and his name is of course, on the commercial list. If his wife has no account in the bank, her name is placed on the women's list (as outlined in Chapter VI) and she receives the letter. The same system is carried out in all the other departments.

"These letters have brought hundreds of women into the bank to open accounts," says an officer. "Not many women receive mail from a bank and when they do it usually attracts prompt attention. We send these letters out as first class mail matter. In one year the cost of these letters amounted to about $700, and they produced more than $30,000 in new business."

When a woman comes into this bank to open an account she receives a card like that shown in Figures 47 and 48. This is filled out at the bank and returned to the teller. It is placed in an alphabetical file which can be referred to during campaigns for new business.

By cooperating with the Y. W. C. A., a Michigan bank gave strong impetus to a thrift movement among factory working girls. The bank agreed to accept deposits in any amount from 10 cents up. The plan became so popular that it was necessary to adopt a regular schedule for the collection of deposits.

Every Monday morning a woman employee of the bank visits the factories the employees of which are depositors and collects the money and gives credit slips. In concerns where the enrollment of savers is heavy, the bank has arranged with the paymaster to deduct from the wages whatever amount the employee wishes to save. A blanket check to cover the total is then sent to the bank, together with a list of the names and the amount to be credited to each.

The savings department of an eastern trust company got satisfactory returns from the distribution of a

	CLASSIFICATION OF EXPENSE	January	February	March	April	May	June	July	August	September	October	November	December	TOTALS
HOUSING	Rent													
	Taxes, Fire Insurance													
	Interest and Payments on Property													
	Repairs, Decorating, Painting													
	Heat and Light													
	Furniture, Furnishings													
FOOD	Board and Lunches													
	Butcher and Grocer													
	Dairy Products													
	Ice													
	Miscellaneous													
CLOTHING	New Clothing													
	Repairs, Cleaning, Pressing													
	Laundry													
TRANSPORTATION	Railroad Fares													
	Car Fares, Taxicabs													
HEALTH	Drugs, Medicine													
INSURANCE AND INVESTMENTS	Life Insurance													
	Savings Bank													
	Investments													
	Personal Taxes													
MISCELLANEOUS	Church and Charity													
	Club and Lodge Dues													
	Gifts													
	Books, Magazines, Papers													
	Amusements													
	Vacations													
	Telephone													
	Stationery, Postage													
	TOTALS													

Figure 49: One bank gained the deposits and good will of many women by presenting them with household budgets, on which they could keep an accurate account of expenses. This is a yearly summary form. Many banks distribute monthly or daily budgets.

score card for bridge games. The first cards sent out were for use at a benefit card party. Asked to make a donation for the party, the bank offered to have the score cards printed. For several weeks afterward the women who had attended the party called at the bank to inquire if there were any score cards left. When these inquiries came to the attention of the president, he ordered a few hundred more printed. These went so rapidly that it was decided to make the cards a regular medium and the next order was for several thousand.

LITTLE EFFORT WAS REQUIRED BY THIS PLAN FOR MAKING DIRECT APPEALS

The bank now regularly has the cards printed in quantities. The bank's advertisement printed on the reverse side is intended to interest women in the service the company has to offer to them, and also to children. The women are urged, for example, to start savings accounts; the children are invited to call and get a small bank.

A middle western bank has given a new curve to the household budget plan in order to secure women's business. This budget tells how to distribute the family income so that it will make a profit in the form of a savings account. It gives the normal expenditure for different household items for families the incomes of which are between $1,000 and $2,500 a year.

The six main items of expense are subdivided into the following attainable standards so as to aid the owners of the books in estimating expenses:

Food—27%—all necessary expenditures for the family table as well as meals taken at restaurants; also water tax and ice.

House—23%—rent; carfare to and from work; property tax; fire insurance; repairs on house.

Clothing—25%—clothing, all materials for and cost of making; cost of repairing, cleaning and pressing; millinery; shoes.

Housekeeping—5%—labor and materials for laundry; light and fuel; telephone; house furnishings and supplies for the house.

Educational—6%—school books; tuition; club or lodge dues; church and charity contributions; gifts; magazines; books; newspapers; outings; amusements; medical or dental treatment.

Luxuries—4%—any items not necessities or educational, such as extra food, candy, livery hire.

Savings—10%.

Since the women usually buy most of the goods that come into the household, these budget books indicating ways to distribute the family income proved popular.

Many other banks, investigation indicated, have distributed budget forms among women. Figure 49 shows the yearly summary form used by a small bank.

These books often have served to put women depositors on the right track in handling savings and expenditures and thereby strengthened their relations with the banks which helped.

To sum up, getting the attention of women and children is not, after all, exceptionally difficult. A little specialized attention to their problems usually brings about the desired results.

CHAPTER XII

HOW TO INTEREST THE FOREIGNER

NOT long ago a Polish woman wearing a shawl over her head and a dress that bespoke adherence to foreign customs walked into a large middle western bank. She looked around the lobby in dismay. Unable to speak English, she approached one of the officers, made a few gestures, and mumbled a few words.

The occurrence was nothing unusual in this bank because scores of foreigners without a knowledge of English seek its services daily. The officer learned that the woman was Polish and escorted her to a junior officer who could speak her language. He learned that the woman had just sold a house and wished to deposit a check for $2,200. After the bank accepted the deposit and gave her a pass book the junior officer explained that the bank would always be pleased to help her. Within a week this woman brought in seven friends, who made deposits aggregating more than $14,000.

Here is a case that is typical of the efforts that get-ahead banks, especially the larger ones, are making to win the accounts of foreigners. In this particular bank, among the members of the executive staff, there can be summoned a speaking knowledge of nine foreign languages, so that the dominating classes of foreigners in the city find it comparatively simple to transact business there.

Some foreigners, investigation indicated, are afraid to deposit in banks managed by American officers,

principally because they find it difficult to get a clear understanding of the methods of doing business. Others hoard their money in secret places because they know nothing about the safety and the security offered by banks.

To overcome these fears an Ohio bank adopted the finger print system in its savings department. Solicitors were first sent among the foreign-speaking classes to tell them of the bank's strength and the measures employed to guarantee safety. The solicitors brought prospects into the bank and introduced them to a teller who could talk to them in their own language. If possible the visitors were then induced to open an account.

In making deposits however, the bank varied from its usual procedure and placed before the foreigner two cards (Figures 50 and 51). The depositor was asked to ink the first finger of each hand on an ink pad and make an imprint on the card. The teller then observed facial peculiarities, if any, and indicated them in accordance with the chart in the lower left hand corner of the card. All of this was explained to the foreigner to show him how the bank tried to protect his money. This kind of precaution usually made a favorable impression on the new customer and he was often quick to explain it to his friends. This method influenced hundreds of foreign accounts.

Interesting advertising literature, printed in foreign tongues, usually is found to be very effective in winning accounts of foreigners. A bank in Cleveland, for example, annually distributes many thousands of booklets called "The Immigrant's Guide" printed in many different languages. These booklets tell about naturalization laws, the city schools and the library, citizenship classes, and similar data. The booklets are sent out at regular intervals to the foreign sections of the city and sometimes supplemented with

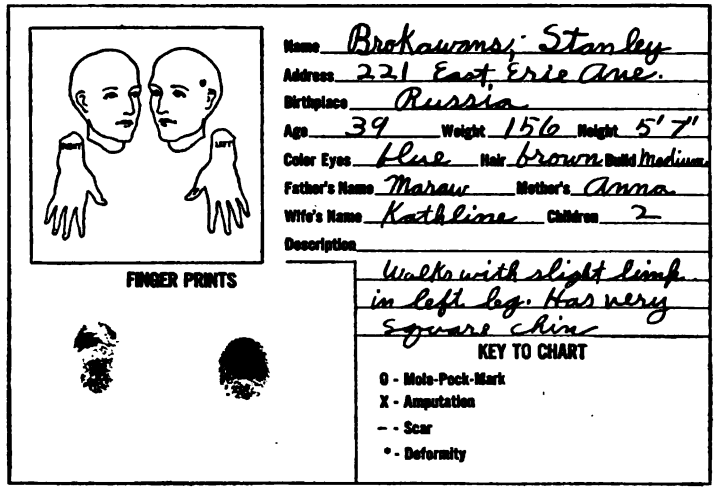


Figure 50: The card reproduced above has simplified the finger-print system for a middle western bank and enables it to gain the confidence of the foreigner with comparative ease.

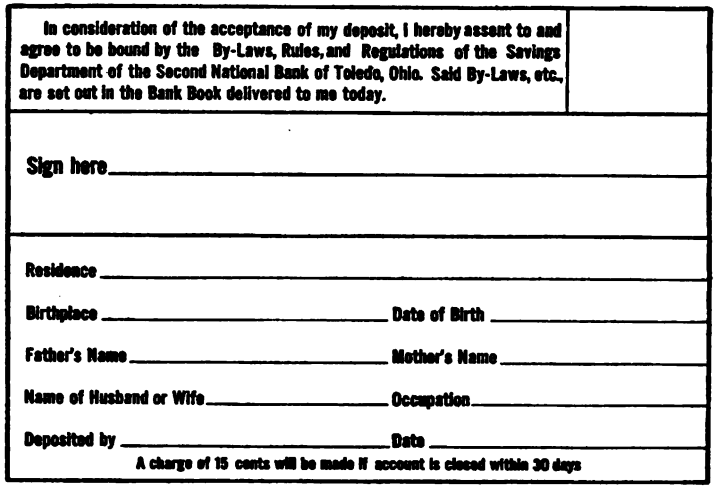


Figure 51: This reproduction shows the other side of the card shown in Figure 50 and indicates the great precautions taken to protect the interests of the bank as well as the customer.

personal letters written in appropriate foreign languages. Of the same character is the plan of a Chicago bank which distributes a 20-page booklet with 10 pages devoted to savings appeals in different languages.

"How to Become a Citizen" is the title of a 40-page booklet sent to foreigners by a middle western bank. This contains complete information on how to become a citizen of the United States, and photographs of national, state, and city buildings, as well as many maps and charts. It contains but a small and inconspicuous advertisement of the bank, which is in fact, the only advertising in it.

This bank secured the cooperation of the immigration officials in making the distribution. The clerks of the courts were supplied with copies to give to aliens, factories were circularized, copies were placed in the libraries of the city, and they also were distributed through a house-to-house canvass in the foreign districts. Passenger agents of the different railroads were glad to pass them out to immigrants.

HOW ONE BANK GOT $500,000 IN SAVINGS DEPOSITS FROM FOREIGNERS IN TWO YEARS

In any bank which wants the business of foreigners it is essential to employ, to a certain degree, analytic methods like those outlined in Chapter I. This means that the bank officials should get acquainted with the foreign element, learn the foreigners' habits, customs, approximate incomes, and banking connections.

The head of the development bureau of a middle western bank, who has secured more than half a million dollars in foreign deposits in two years, says that he gets results mainly by gaining close contact with the foreign class. "There's no mystery or secrecy about winning foreign deposits," he says, "although I realize that some banks believe that a complicated system is necessary to get foreigners as customers.

"How can this be done? The big bank should appoint a solicitor, preferably a man with a knowledge of several different languages, to go among the foreign classes and pass out interesting advertising literature at their lodge meetings and the like. When he finds an opportunity to talk to groups of the foreigners he should do so. By offering to take them to inspect the bank he usually can arouse their interest. I have also found that if you can get an influential man or woman in the foreign community boosting for you that business generally develops.

"Of course, a plan of this kind might not work out profitably for a small bank. Anyway, the small bank might not have use for it because the foreign element in the small town usually is not so mixed. There may be one or two or three foreign settlements, but seldom more than that. The small banker should make it a point to visit these foreign settlements and to engage an influential foreigner to solicit for him, probably on a commission basis."

A Bulgarian banker brought a friend whom he called "Tony" into an Eastern bank. "Tony" had considerable political influence among a certain group of the foreigners in the city, yet he never had carried a bank account. At the same time he had money and was constantly adding to it. The banker saw in "Tony" a valuable addition to his clientele of "boosters" among the foreigners.

He took "Tony" through the bank, explained the workings of the various departments, told him how the bank was looking after the interest of other foreigners, and finally placed the bank's services at his disposal. "Tony" promptly opened a savings account of $1,000 and went out among his people ready to speak favorably of the bank.

"Within three months 'Tony' was responsible for developing more than $100,000 in foreign deposits,"

Figure 52: Hundreds of foreigners' accounts have been secured through the use of the finger-print system by one Ohio bank. With this method little time is required to get accurate identification. This photograph shows the plan in actual operation.

Figure 53: Any hesitation that Chinese customers or prospects might feel was dispelled by one bank when it employed a Chinese teller. In addition to drafts this man often gives helpful financial advice to his countrymen.

this banker says. "Usually when a banker can pick out a powerful individual among these people and make a strong and sympathetic appeal to him he has opened up a new channel for increased business."

To get the best results out of the foreign business it is necessary to check the accounts continually, many bankers agree. When a depositor shows signs of lapsing the bank should investigate, they feel. As a rule, the foreigner saves steadily and in regular amounts, and once his account begins to slow down it is worth while finding out the cause. When the bank manifests interest of this kind it is usually taken in good part by the depositor.

HOW A WESTERN BANKER KEEPS FOREIGNERS' DEPOSITS COMING IN REGULARLY

Here's how the new-business department of a Missouri bank lessens diminishing returns on foreign deposits. Once a month each department of the bank is checked up. This shows how the foreign business stands. When the results of this examination are tabulated, and placed on sheets, it perhaps will be found that in a certain section, or among certain nationalities, business has fallen off. Thus, positive leads are created for the solicitors of the new-business department, who go out and bolster up the lagging accounts.

Many valuable prospects also are secured in this way, since the solicitors in their visits in the foreign districts constantly make new acquaintances. The information about prospects obtained through solicitation is transferred to a card index for the guidance of the new business manager. This information embraces the names of the prospects, their property holdings, banking connections, and so on.

Two women solicitors making continual rounds of the factories, and another visiting the larger stores of

the city have helped to develop a large amount of foreign business for a bank in Indiana. These women meet all classes of workers and distribute literature among them. They emphasize the fact that the bank employs an interpreter who will be glad to tell them about the bank's service. The interpreter speaks nine languages fluently and he also understands the deaf-and-dumb sign language. Thus, he gives the depositors assistance they appreciate.

While some of these methods perhaps may be too elaborate for successful application in a small bank, there is nevertheless a fundamental principle underlying all of them that should help win business universally. In every community there is a sprinkling of the foreign element which usually must be approached with a distinctive appeal.

In general, the foreigner, like anyone else, is pleased to know that his business is appreciated and that his account, no matter what its size, is just as welcome as the money of the largest depositor.

CHAPTER XIII

GETTING THE FARMER'S BUSINESS

SEVERAL Wisconsin country bankers declared in a convention recently that they considered that one of the biggest problems ahead of them was getting enough good dairy cattle for the farmers in their districts. These bankers realized that their success depended upon the success of the farmers. When the farmer receives the cooperation of the banker, he usually is able to employ methods that increase the production capacity of his acreage. His earnings and his deposits are therefore heavier.

Banks in all agricultural communities face the problem of how to get more business from the rural sections. The mercantile and industrial interests usually use banks freely. The wage earners and the women and children in towns normally can be reached through the savings department. But very often, investigation indicated, the bulk of the profits in the small-town bank must come from the outlying agricultural sections.

By organizing an Inter-County Seed and Live Stock Association, the banks of Las Vegas, New Mexico, helped farmers to get better crops and to solve credit problems that previously had puzzled them. Savings deposits increased and general business improved.

In starting, the banks secured the cooperation of two large wholesale houses in raising a fund of $5,000. The development work then was turned over to the county farm agent. His work on this plan was guided by recommendations from the banks.

First, the agent bought seven carloads of first class seed. When the seed arrived it was announced in the newspapers, and letters were sent to farmers in the territory, telling them that they could get a supply of the seed by applying to the agent.

During the first year this plan was in operation hundreds of farmers called at the banks for the first time. The banks had simple blanks printed on which to list the name and address of a farmer, the size of his farm, the approximate amount of his real estate holdings and personal belongings, and finally, the type of his farming. If the banks found that a farmer had never had an active bank account, a notation also was made.

These cards were valuable to the county agent because they indicated at a glance precisely the business conditions of the farmers. When he called at their farms, he was, therefore, able to talk intelligently to them. The cards also furnished the basis for a mailing list and this was circularized with letters four times a year. These letters emphasized the willingness of the banks and the wholesale houses to help the farmer in every possible way and invited him to come to them whenever he wanted advice.

While distributing the seeds the county agent learned that some of the larger live stock farmers were anxious to improve the quality of their cattle. He suggested to the banks that registered Hereford bulls be purchased by them and sent out along the same line as were the seeds. The banks willingly agreed to this plan and it was carried out.

The banks took the farmers' notes in payment for the seed and the bulls and in many cases the notes were secured by chattel mortgages. Some of the buyers were worthy but could not furnish security and the seed was sold to them on unsecured notes.

Despite a long period of drought during the first

year the banks were able to collect 96% of their notes. The county agent made frequent trips to the various farmers and submitted reports of his findings to the banks. Thus the banks got a line on the habits and the income of the farmers.

"The collection of all the seed notes passed through our hands," said one of the bankers, "and this enabled us to meet a large number of small farmers, particularly Mexicans, who had never before been inside of a bank. We opened several hundred new accounts in the fall when the beans, which constitute our chief cash crop, were marketed."

In addition to the immediate benefits that the banks received in the form of new business, a great improvement was noticed in the condition of the crops. This "banker farmer" movement proved to be so great a success that in its second year many other business men in the town were eager to support it and $9,000 was subscribed at a public meeting to buy more seed and live stock. Many more farmers became interested and much desirable rural business was created for both the banks and other business men.

THIS CONTEST MADE HUNDREDS OF FARMERS FRIENDS FOR ONE PROGRESSIVE BANK

Methods like these help to establish a point of contact with the farmer and the task of demonstrating profitable farming methods is thereby simplified. Several somewhat similar plans for interesting farmers are described in Chapter XVI. By offering cash prizes for farm products, a bank in North Carolina has promoted similar helpful relations. This bank enlisted the aid of the county agricultural agent, who was an experienced farmer, reared in the heart of the territory from which the bank drew the greater part of its country deposits.

A controversy arose among the farmers in this

section as to who could make the best hickory ax helve. The agent started a contest and suggested that the bank offer a cash prize to the successful contestant. This idea did not at first find favor with the bank officers. They believed that a bank should "promote more dignified propositions." But the plan finally was approved and it created a great deal of interest among the many farmer contestants and their friends.

When the contest was advertised in the newspapers, the farmers naturally wanted to know more about the regulations laid down by the bank. They were given a limited time to make the helve, and the regulations, printed in an attractive pamphlet, provided that the maker deliver his helve to the bank in person.

Hundreds of helves were brought to the bank. This gave the officers a better opportunity to get acquainted with the farmers and they made it a point tactfully to impress upon all the visitors the various services and facilities furnished by the bank.

The success of this contest caused the bank to inaugurate a series of similar contests. For example, prizes were given to farmers who would raise the best quality of tobacco on one acre of land—the quality and amount to be judged on marketing day. More than 300 farmers in four counties entered this contest.

Through newspaper advertising, personal letters, and booklets the rules governing the contests were announced. The contestants were invited to call at the bank and receive literature which the bank had previously purchased, and which gave improved methods for growing tobacco.

When the farmers called they received cards to fill out, giving their names, addresses, the sizes of their farms, and their tobacco acreages and production during the previous year. These cards were placed in a file for the use of the county farm agent and the bank

officers. The contestants also were given a few simple blanks on which to make out their reports on the closing day.

All the names thus obtained were transferred to a mailing list. During the year the farmers on the list were furnished with helpful literature on general farm topics in the form of booklets. At the top of each page of the booklets were short, crisp statements about the bank and the inside and outside covers carried advertisements telling how the farmers could easily deposit their money, and why they should select this particular bank.

Most of the contestants were enthusiastic, and were constantly showing their neighbors their prize acres. The crops were unusually heavy, some of the farmers, for example, showing increases in production of from 20% to 50% on the contest acres.

The tobacco contest was so effective that the bank next decided to encourage grass growing. It advertised that more than $15,000,000 was sent out of the state every year to pay for hay. Why should the farmers not retain this money? This question was the basis for the contest and $250 in cash prizes was offered to farmers who grew the most hay on one acre.

The contest was limited to counties from which the home bank and its branch offices drew their deposits. When the registration books closed, 500 farmers in 16 counties were entered. The bank kept in close touch with the contestants by frequently sending its representatives to look over the grass and by employing demonstrators to show more effective methods. Simple and instructive literature on grass growing, supplemented by an occasional personal letter to all the contestants, were sent out. As a result the hay crops were much heavier.

Instances of this type illustrate how quickly bankers in farming communities can gain new business and

good will at the same time. Let us turn now to an even more impressive example of the great benefits of banker-farmer cooperation. Not long ago the bankers and a number of merchants of Memphis, Tennessee, united in a movement to teach the farmer better production methods. After forming an organization called a "Farm Development Bureau," they laid out a territory to be worked, which covered sections of Tennessee, Arkansas and Mississippi.

HOW BANKER-FARMER COOPERATION INCREASED SAVINGS DEPOSITS IN TENNESSEE BANKS

After raising $25,000 from its members for the first year's expenses, an agricultural expert was engaged by the organization to direct the work of the bureau. A bankers-farmers' conference was then held and each of the 200 men who attended resolved to do some constructive work in the way of better farming. One banker promised to send out a farming expert to the farmers around Memphis, and a wholesale merchant agreed to distribute literature on improved agricultural methods.

A plan of operation was mapped out by the head of the farm development bureau. In September, for instance, the campaign was devoted to the growing of winter clover. Lectures and demonstrations were given in different farming centers showing the value of the crop and how to handle it to get the best results.

In October the campaign centered about the traveling men of the tri-state district, numbering about 4,000. It was planned to show them how they could help the farmer make more money, and incidentally help themselves, by talking better farm methods whenever they visited a rural community. The traveling men were requested by personal letters, and these letters were backed up by instructions from many of their employers, to tell their experiences and observations

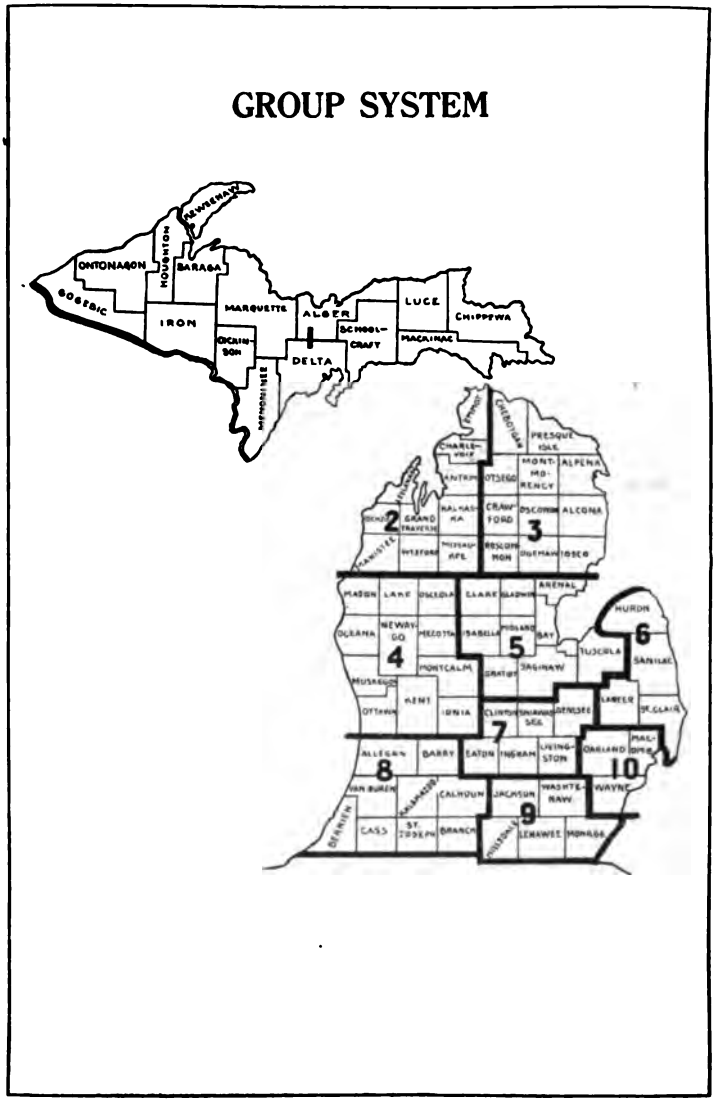


Figure 54: This chart illustrates how Michigan bankers have divided the state into groups. Frequent meetings are held by these groups and, with the cooperation of the state banking association, the groups make progress helpful to the members and general community.

Figure 55: Here is a novel display used by a bank which conducted a "Winter Fair." With a short but intensive advertising campaign hundreds of farmer prospects were attracted to the bank.

Figure 56: This is not a county fair display, but a real, live bank fair, which attracted hundreds of farmer visitors and paved the way to the opening of many new and profitable accounts.

whenever they felt they would help to improve the farmer's situation.

In November and December the campaign took the form of meetings in the country school houses. The farmers were urged to raise food for their families and feed for their stock on their own farms. In 30 days 60 lecturers held 2,000 meetings, gave addresses to 225,000 persons, and traveled 80,000 miles by railroad and 30,000 miles by auto and horse-drawn conveyances. This phase of the campaign cost more than $12,000, but the results in increased bank deposits and improved business conditions in town and country completely justified the expense.

The value of testing seed corn was emphasized in bulletins. About 150,000 copies were distributed and followed by testing demonstrations in the farming towns and on many of the larger farms. These events were widely advertised on placards, hand bills, and in the newspapers.

By sending out 100,000 personal letters to the country bankers and merchants, the organization gained a large number of new and active outside supporters. Rural community clubs were later organized in 30 neighborhoods and a woman was appointed by the organization to visit the farm housewives and help them in arriving at better methods in household organization.

After setting forth the purpose of the movement to women in farm neighborhoods, this agent created new interest in domestic science and hygiene through a series of informal talks.

Thus every phase of farm activity was covered. Campaigns for better live stock, dairying, and diversified farming followed on a bigger scale in all sections of the territory. The one crop idea that had long retarded bigger profits in this section gave away before enlightened methods.

Within a year after this campaign was started the deposits in the banks of Arkansas increased more than $1,000,000 and the deposits in the banks of Tennessee also showed a heavy growth. Correspondingly gratifying returns were reported in other lines of business.

Cooperation of this sort usually will produce in any section the results accomplished in and around Memphis. A Massachusetts trust company, for example, bought $25,000 worth of high bred cows not long ago. It then announced in the newspapers that it would be glad to sell these cows to any farmer and take notes in payment. The response was so favorable that the bank appointed a farm agent to find out how it could best promote the interests of the farmers.

This agent first outlined a territory in which to work, which embraced all the farmers in a limited district around Brockton. Then he made a personal visit to these farmers, told them of the bank's plan, gave them literature describing it, and invited them to call at the bank whenever they wanted advice.

HERE IS A PLAN THAT BROUGHT HUNDREDS OF FARM ACCOUNTS TO AN EASTERN BANK

The agent secured the name of every farmer in the territory, the size of his family, the size of his farm and whether clear or encumbered, what crops he raised, the amount of live stock that he owned, and then figured out the kind of service that would appeal most to him. The bank had known all these facts in a general way, but the investigation brought out additional facts that helped the farm agent and the bank to frame more effective appeals.

All this information was transferred to a card index. It was also made the subject of a special report to the officers of the bank. Basing the action upon this report, the agent was authorized to buy a large amount of live stock, as well as seed and other farm material.

When the bank announced that farmers could buy any of it on their notes, scores of farmers called and inquired about the plan. The majority of them were glad to accept the easy terms of payment and took advantage of them. The notes, of course, ran for different periods of time and specified different payments, but usually were drawn up as the farmer thought most suitable.

After the farmer got what he wanted a watch was kept on the transaction. If, for instance, a farmer bought seed, the agent visited him often to see how the crop was coming along. If he bought live stock, the agent sought to find out if the purchase had improved the grade.

There was scarcely any loss on the notes. The value of the crops and the live stock in the territory was increased. This, quite logically, brought more money to the bank.

A woman was engaged later to give a series of "Better Homes" lectures and demonstrations on the farms. She told farm housewives of new and economical ways to run their homes, such as methods to reduce the wash day burden, how to improve cooking and how to preserve various farm products. Whenever the women got together the bank's plan, of course, came in for much discussion.

Home and school gardens also were promoted by the bank. Seed was given away and the plan was advertised in the newspapers. Prizes were given for the best crops. This brought many city and country children into the bank to get seed and many fine gardens and a satisfactory amount of new business resulted.

This type of community development also has been employed with remarkable success by many banks in northern and western Michigan. They secured the assistance of their state and group associations (Fig-

ure 54) in working for a wider distribution of better agricultural and horticultural ideas, for greater social activity in farming districts, and for specialized courses of study for the boys and girls. In this work the support of the county school commissioner was a valuable aid.

Sometime ago a banker in Traverse City, Michigan, bought a barrel of apples supposed to be of No. 1 grade. When he opened the barrel he found a tempting array of good sized, richly colored apples on top. On the bottom, however, there was about a bushel of small, inferior fruit.

This unusual exhibit of good and bad fruit from the same barrel was displayed in the lobby of the bank with a card stating the facts. It set the people to talking. How could such practices be stopped?

The bank then offered a cash prize for the best paper on legitimate and illegitimate methods of apple packing, the contestants to read their papers before the Farmers' Institute and the members of the institute to be the judges. The local granges, inspired by the banker, took up the discussion and went at the task of placing the blame for dishonest fruit packing. The banker helped the grangers by getting much valuable information from outside fruit packers. All this information was turned over to the granges and the newspapers, and the question was discussed in print and from the platform. The result of this movement was the enactment of state legislation that made dishonest packing punishable.

In this way banks often can direct a movement of great purport and calculated to protect both producer and buyer. They frequently can exert a tremendous influence on general business advancement, and thereby naturally reap the reward through more profitable business.

A cashier in a bank in a stock-raising neighborhood

Figure 57: These men "had their hands full" in distributing 200 pigs to as many children who joined the "Pig Club." From their expressions it is evident, however, that they are happy in the work.

Name Albion C. James
Address Hanover Township
Rural Route No. 3 Road
Miles from our town 11
Miles from other markets 9
Names of the competing markets Greenburg

Tenant or land owner Land owner
Number in family 6
Adults 2 Females 2 Males 4
What daily papers read Courier, Post
Do you ever shop or buy in our town Yes

What can our town do to make shopping better Get better feeding place for teams.

Figure 58: Data obtained by solicitors was placed on sheets like the one shown here, thus enabling the bank to compile effective mailing lists while preparing for a campaign among farmers.

Figure 59: Enthusiasm marked the organization of a "Pig Club" by one bank, as this group of children clamoring to sign the notes with which to purchase animals shows.

Figure 60: A lively member of the "family" of 200 given out by the bank to its "Pig Club" members. This is but one of many humorous incidents in connection with the distribution of the animals.

constantly watches for new literature about the raising of hogs and cattle. When striking new information is published he secures it and sends it to the local farmers with the compliments of the bank.

A banker in a great potato district found out the rotation of crops that was best for that soil. Then he visited the farmers and told them.

When the banks of any agricultural community get together on a new-business campaign they usually can accomplish more than by acting singly. This is clearly shown by the action of the three banks in an Ohio town of 7,500.

The cashiers of the three banks met, compared notes, and found that a great deal of business which should come to them was going to competitors, some of them more than 20 miles away. One of these cashiers was a shrewd advertiser and had analyzed the field, knew its needs, and the services it required.

Armed with this information the banks called a meeting of business men of the city and at the meeting asked them to participate in a cooperative movement to bring more trade to town. The proposal was readily approved and solicitors were employed to make a canvass of the field within a 10-mile radius.

The solicitors secured detailed information on blanks like the one reproduced in Figure 58. This investigation showed that the city had 12 principal competing markets, and it also gave the bankers and merchants complete data and mailing lists for an aggressive new-business campaign.

An analysis of the results of the investigation showed that road conditions were a drawback to getting people to the town and a plan of improvement was promptly carried out. It was learned also that a dearth of hitching facilities kept many farmers away and a number of new hitching posts were provided.

This town has a large creamery with excellent

equipment, but a great many farmers patronized a creamery in a town farther away because it was a constant advertiser. To bring business to the home creamery a strong series of newspaper advertisements was run, and this was followed up with personal letters and bulletins to the farmers recommending the home creamery.

Every advantage that the town offered—from the general store and the blacksmith shop to the churches and schools—also was set forth by personal letters and booklets. The banks sent out separate literature pointing out the facilities offered by all their departments.

In a short time hundreds of farmers began to transact their business in this enterprising town. In less than a year the volume of rural deposits in the banks increased more than $250,000. All the merchants reported a substantial increase in sales, and the flour mill and the creamery had their most profitable season.

Given an intelligent impetus from the banker, farmers usually see progressive ideas in a new and profitable light. Once they are interested better business all around cannot fail to result.

CHAPTER XIV

DEVELOPING MORE BUSINESS FROM SAFETY DEPOSIT AND TRUST SERVICES

BY means of a three months' direct advertising campaign along the lines suggested in Chapters VII and IX, a trust company in the middle west secured new safety deposit business that amounted to $1,900 a year. The cost of the campaign was $3,700—and the rental renewals and increased business in the second year fully justified the expenditure.

Direct advertising, investigation indicated, in undoubtedly one of the best ways of reaching safety deposit prospects. That a strong letter emphasizing a special feature, accompanied by an illustrated booklet, is an admirable way to start is the experience of many banks. In each letter or booklet, however, there should be some special feature brought out that has not before been touched upon. The bank must have a worth while feature, and then must advertise it in a way that drives it home. That feature can be service, or equipment, or whatever it may be, but in all cases it is essential to get the prospective customer's point of view and then get the bank's meeting of that point before him. When the bank does something worth while that a competitor overlooks, let it be known. If the bank has no special feature to mention, it should try to create one. That is what the trust company mentioned above did when increasing its rental revenue $1,900 a year.

The president of the company decided that duplicates of the original key to the old Liberty Hall in

Philadelphia, to be given away as souvenirs in connection with the direct campaign, would be an impressive feature. Through the influence of a prominent manufacturer of Philadelphia he was able to get the key long enough for a locksmith to make a duplicate. The original was returned the same day. From a mold of this duplicate 10,000 iron keys were cast and a small bronze plate bearing the name of the bank was attached to them. The keys were then placed in attractive boxes to be sent out with the letters and booklets. The keys cost 7½ cents each.

After the keys were ready for distribution the banker laid out his advertising campaign. He secured a college professor to write a booklet on "Ancient and Modern Safe Depositories." This booklet, telling of the old and new way of protecting valuables, was illustrated, and attractively bound. The front cover of the booklet carried a view of the entrance to the bank's vaults, and a picture of the heavy iron key to Liberty Hall (Figure 61).

By checking over the mailing lists of all the departments of the bank against the safety deposit list, the most logical list of prospects was picked. This list was increased by examining the membership records of six of the leading men's clubs in the city. The names of members who had no account with the bank were transferred to the prospect list. Names were also secured from the officers and other employees.

The booklets and the keys then were distributed by special messengers to the names on the list. A few days later a form letter, typewritten, and signed by the manager of the safety deposit department, was sent to each person on the list. This letter referred to the old and new way of providing safety for valuables and emphasized the bank's modern facilities. Three months later this was followed by another form letter along the same line.

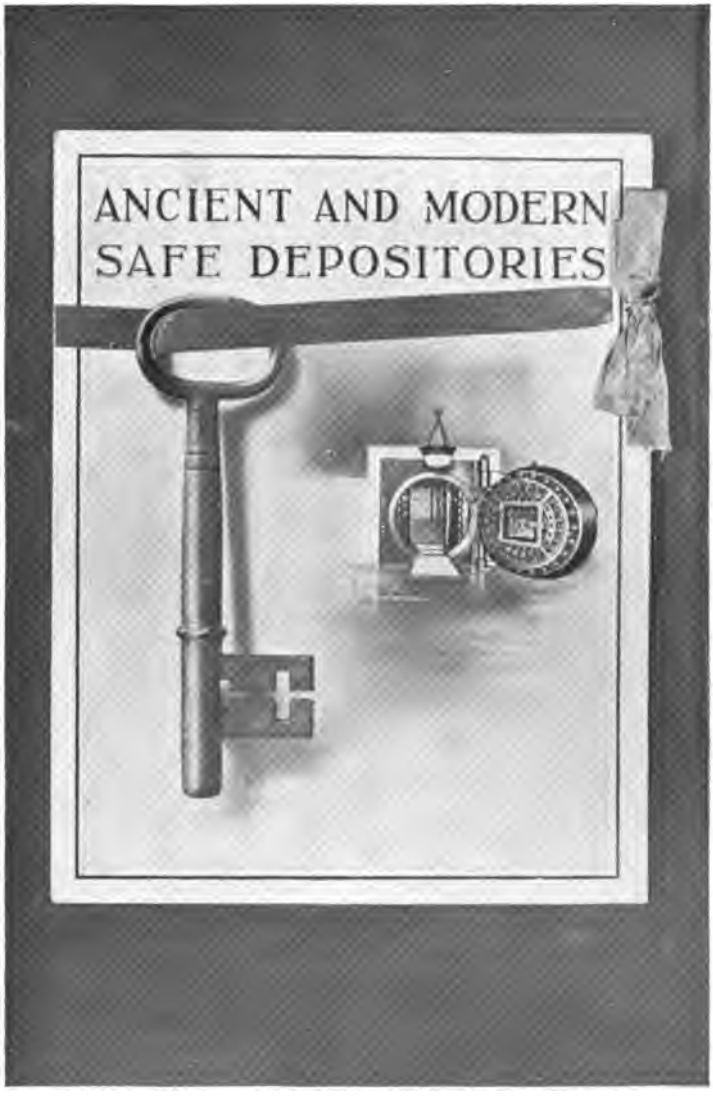


Figure 61: The cover of a booklet containing a complete history of safe depositories is reproduced here. When sent to a large list it brought business amounting to nearly $2,000 a year. The key is a fac-simile of the original key to Independence Hall.

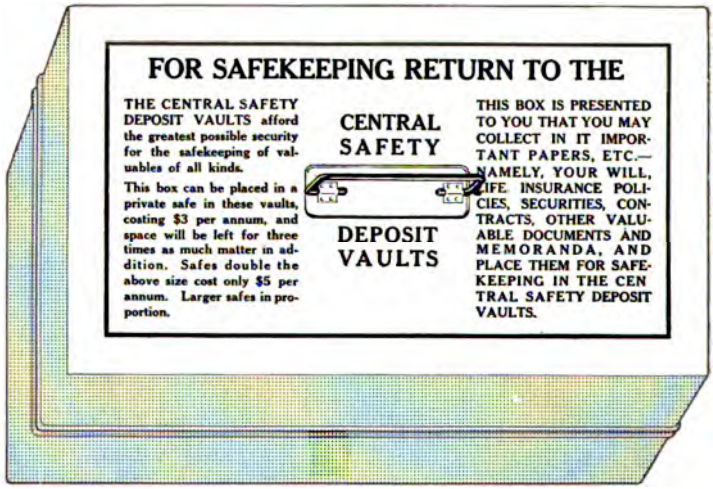


Figure 62: "Let no opportunity escape to make an appeal for new business" was the theory of one banker, who, as shown above, used the space on miniature safety deposit boxes for one effective appeal.

PLEASE REPLY BY THIS CARD NO OBLIGATION INCURRED

Will you inspect our vault?_____
Do you want additional literature by mail?_____
Have you a safe deposit box elsewhere?_____
If so, where?_____
When will the renewal be due?_____
Would you consider the immediate use of a safe in our vault free of charge until the renewal is due?_____

DO NOT SIGN THIS CARD. To keep this information strictly confidential, identification will be by this number 129

Figure 63: This postal card enabled one bank to get a line on competition and at the same time to obtain many valuable leads which brought considerable new safety deposit business.

Hundreds of prospects who received the key and booklet expressed their appreciation, and many of them called at the bank to inspect the vaults. In checking the returns everyone who rented a safety deposit box was questioned in a tactful way by the manager of the department about previous banking connections, and suggestions were made about other departments in which the customer might be interested.

A NOVEL ADVERTISING PLAN THAT BUILT MUCH NEW BUSINESS FOR ONE BANK

Not long ago another bank used a somewhat similar plan in developing new rentals amounting to $1,200 a year. This bank purchased 10,000 tin boxes, 10 inches long, four inches wide, and one inch deep, at a cost of 6 cents each. Each box was painted and decorated in imitation of a regular safety deposit box and across the cover of the box was the inscription shown in Figure 62.

In each box an attractive statement of the bank's condition was placed as well as a silver-plated key tag, a neat calendar for home use, and an illustrated folder describing the bank's safety deposit service.

After preparing a list of 10,000 prospects in the same manner as that outlined in the first campaign described, a box was delivered to each name on it. This step was followed up a week later by a letter which invited the prospect to call at the bank and inspect the vaults. Those who did not respond received another letter in 30 days, and a final letter was sent out in 90 days.

The expense of this campaign was about $3,300 and, while the first year's new rentals amounted to only $1,200, the renewals and the general increase in business helped to make this campaign a decided success.

These plans perhaps are not adaptable to the general run of small banks because of the expense involved, but they indicate the type of appeal that is

Cold Fur Storage

When you store your furs at home you assume three definite risks: damage by moths, loss by fire, and theft. End all risk, worry and bother by letting us store your furs, in perfect safety.

The dry, freezing atmosphere of our cold storage vaults prevents damage by moths. An armed guard, day and night, and fire-proof construction assure against loss by theft or fire.

Our private auto delivery service, under guard, is safe, prompt and careful. Storage service includes cleaning, glazing and combing by our expert furrier.

Cleveland Trust Company Fur Storage has been so satisfactory that we have been obliged to enlarge our capacity for this season.

Assets of over $58,000,000.00 is the guarantee that your furs will be returned to you in perfect condition when you want them in the Fall.

The Cleveland Trust Company

Member of the Cleveland Clearing House Association
Under Supervision of the State Banking Department

Figure 64: This display advertisement run in daily newspapers was one of the many attractive appeals made by one bank in an extensive spring campaign for fur storage business. The same type face for titles is always used by this bank.

effective. To the vast majority of people a safety deposit vault is a place for wealthy people to keep stocks and bonds. Hence, safety deposit advertising often leaves them "cold" unless it contains a down-to-earth appeal.

By placing a card headed "Where Do You Keep Your Canceled Checks?" in the customer's pass book when left for balancing, a small Ohio bank directed attention to its safety deposit department. A small, illustrated folder describing the vault also was handed to each depositor. The cost of this campaign was small—less than $75 and was more than covered by the new business brought in.

When this bank moved into a new building it was decided to keep the vaults open until 5 o'clock at night. After three years' experience it was found that only about one half of 1% of the calls were after 4:30, so the closing hour was changed to that time.

To advise customers of the change in the closing time, a large sign was put up in front of the vault door where they could not miss seeing it. It was first decided to make the sign read: "After October 1, this department will close at 4:30 p. m.," but when it was considered that this might be taken as an abridgment of the customers' privileges the sign was made to read: "After October 1, this department will be open until 4:30 p. m." Here is specifically illustrated, by the way, the importance of careful copy writing, as outlined in Chapter IV.

A trust and savings bank in the Middle West secured more than 400 new customers for the safety deposit department through a year's campaign in which a series of five circular letters were used. In the first letter sent out the manager of the department invited the prospect to visit the vaults and requested a reply on an enclosed postcard (Figure 63). In the second letter he expressed the pleasure he took in

showing the vaults to prospective customers, and at the same time emphasized the importance of having adequate protection for valuable property. The other three letters dealt entirely with the necessity of providing against loss and showed how the safety deposit service would serve this purpose. Illustrated booklets enclosed in each letter gave detailed information about the department's facilities.

All of this advertising was sent out to a special mailing list that embraced prospects obtained from lists in the other departments and also names given the advertising manager from time to time by the officers and other employees.

"By supplementing these letters with enclosures like the booklets our appeal was made doubly effective," says the president of this bank. "We found upon inquiry when the prospect visited the bank that the booklets relieved the letters of details that might be uninteresting in some cases."

A great number of banks have found that women are valuable prospects for vaults. Telling women that they can rent a vault on the same footing as the man of money usually makes the appeal effective, many banks have found. A brief letter or attractive booklet pointing out how a small drawer in the vault affords greater protection than a secret drawer in the desk at home also is often effective.

Not long ago a Cleveland bank sent this letter to a selected list of women calling attention to the bank's adequate facilities for storing furs.

> Dear Madam:
>
> When you entrust your furs to The Cleveland Trust Company for summer storage you do so with the certainty that they will be returned to you in the Fall in perfect condition.
>
> The freezing atmosphere maintained con-

_____ 19____

Received from the **FARMERS TRUST COMPANY** (Safe Deposit Dep't), a receipt for rental paid for Safe Deposit Box No._____ which is leased by the undersigned subject to all the rules and regulations of said Company as endorsed on said receipt and to all of which rules and regulations the undersigned hereby expressly agrees.

_____ also acknowledge to have received _____ keys of said Safe Deposit Box.

Witness: _____

_____ _____

Remarks: _____

Indianapolis, Ind., _____ 19____

_____ hereby certify that all the property placed or stored in the vault of the **FARMERS TRUST COMPANY** (Safe Deposit Dep't) in pursuance of the letting above mentioned, has been withdrawn therefrom, and is now in the owner's full possession, all claims against the liability of said Company therefore being waived accordingly.

_____

_____

Figure 65: Here is a card which has greatly facilitated the work of one bank's safe deposit department and saved time and money. It represents both a contract and a source of information.

						Safe No. 101
Signature John L. Mason						Date 11/24
Residence 2201 Kenwood Ave				Password		
Business Packer		Address 123 West 67th St.				
Mother's Maiden Name Mary Randolph		Birthplace Adrian, Mich				Age 50
Height 5 Ft. 5 In.	Complexion fair	Hair brown	Eyes blue	Weight 142		Figure erect
Signature						Date
Residence				Password		
Business		Address				
Mother's Maiden Name		Birthplace				Age
Height Ft. In.	Complexion	Hair	Eyes	Weight		Figure

Figure 66: This, the other side of the card shown in Figure 65, permits the bank to keep much valuable information in the files, where it is referred to frequently.

stantly in our cold storage vaults is a positive safeguard against damage by moths; fireproof construction and an armed guard, every minute of the day and night, prevent loss by fire or theft. Every safeguard employed is based on "banking standards" of safety, and guaranteed by the combined resources of this institution — over $58,000,000.

Years of experience in the successful operation of a cold fur storage plant and our recently enlarged facilities backed by Cleveland Trust Company standards of safety and efficiency are well worth your serious consideration.

Call Prospect 1500 — or Erie 280.

An attractive display ran in the women's pages of the newspapers (Figure 64). This campaign brought hundreds of women to the bank. Many of them previously had not known that the bank stored furs. The bank, of course, capitalized the opportunity to win the good will of the visitors and much new business for other departments was created without any great amount of expense.

A southern bank followed a similar plan and in addition sent a folder containing a schedule of storage rates. The bank also offered to have a representative call at residences and take any article of value to the vaults. The business in this bank was increased to such an extent that additions had to be made to the vault and the investment now is $72,000. At the time of the investigation made in preparing this volume the receipts were $25,000 a year; expenses $16,000.

A small western trust company sends out 1,000 letters annually to a selected list of patrons informing each that an art calendar has been reserved for him and will be delivered free if called for within 10 days. When a patron calls he is told that the calendars are

APPOINTMENT OF DEPUTY

_____ 19____

_____ hereby direct the FARMERS TRUST COMPANY (Safe Deposit Dep't), to permit _____ to have access to _____ Safe in the Vaults of said Company until written notice to the contrary is given said Company giving and granting unto the said _____ full power and authority to do and perform, with reference to both withdrawing or changing from time to time, the contents of said Safe, or in relation to any other thing pertaining thereto, including the surrender of said Safe, and the keys thereof, all things which said Company or its agent may deem necessary, in and about the premises, as fully to all intents and purposes as _____ might or could do if personally present, hereby ratifying and confirming all that the said _____ shall do or cause to be done in the premises.

In witness whereof, _____ have hereunto set _____ hand and seal at Indianapolis, Ind., this _____ day of _____ A. D.

Witnesses present:

_____ _____ SEAL

_____ _____ SEAL

Indianapolis, Ind., _____ 19____

Above appointment of deputy _____ is hereby revoked.

_____

_____

Figure 67: The same bank that uses the cards shown in Figures 65 and 66, also uses this form to record the appointment of a deputy. It is a further precaution in protecting the valuables in the vaults.

Name					Safe No.
Deputy for					Date
Signature					
Residence				Password	
Business		Address			
Mother's maiden name		Birthplace			Age
Height Ft. In.	Complexion	Hair	Eyes	Weight	Figure
Remarks					

Figure 68: Note the difference in the arrangement of the printing on this, the other side of the card shown in Figure 67. This card is of yellow stock to distinguish it from the others, which are white.

in the basement and can be secured by applying to the attendant.

Once in the basement the visitor is confronted by a bewildering array of massive iron railings, polished steel doors, and deposit boxes both large and small. He is invited to look over this equipment by the attendant, who explains it.

A Maryland trust company annually invites many prospects to call at the bank and receive a souvenir. Not long ago it gave leather-bound memorandum books to the men and flowers to the women. In order to get the gifts the visitors were obliged to walk the entire length of the main lobby to a point where the new vaults could be easily seen. There was a great deal of curiosity manifested in the vaults and attendants showed the visitors through them explaining that boxes could be secured at rentals ranging from $2 to $20 a year. The result was that rentals were increased more than $800.

Even these methods probably will prove too elaborate in their entirety for the bank which has only 200 or 300 safety deposit boxes. But they illustrate the importance of a definite and constructive appeal in developing new business. It is not merely the fact that a bank increases business for the vaults that counts, but rather that it creates leads which often will bring more business to the other departments.

Safety deposit service is an outstanding feature of nearly every trust company and it often can be made a strong influence in getting other trust business. In developing trust business an Ohio bank makes it a point to continue close relations with a lawyer in handling any trust that he develops for it. Not long ago this bank issued a catalog of private law libraries and sent it to many lawyers in its city and nearby towns. This catalog proved to be a valuable acquisition to the reference works of all the lawyers and

THIS CERTIFICATE WHEN PRESENTED AT OUR SAFE DEPOSIT VAULTS, ENTITLES THE HOLDER THEREOF TO

FOUR MONTHS FREE RENTAL

ON ACCOUNT OF FIRST YEAR'S RENTAL OF ONE SAFE DEPOSIT BOX, RANGING IN PRICE FROM THREE DOLLARS TO FORTY DOLLARS PER ANNUM.

GREENEBAUM SAFE DEPOSIT CO.
9 S. LA SALLE STREET
CHICAGO

USE SPECIAL BANK ENTRANCE - BUILDING LOBBY OR ELEVATORS TO BASEMENT.

Let Us Protect Your Valuables

by placing them in our Fire and Burglar Proof Vault.

You will be more at ease when you have this Satisfying Security.

Safe Deposit Boxes for rent $4.00 and up per year.

WAYNE COUNTY AND HOME SAVINGS BANK
Corner Michigan Avenue and Griswold Street.

YOU ARE INVITED TO INSPECT THIS COMPANY'S SAFE DEPOSIT VAULT AND TO NOTE THE MODERN EQUIPMENT AFFORDING UNCOMMON SAFETY AND CONVENIENCE. NO OBLIGATION INCURRED.

FLETCHER SAVINGS AND TRUST COMPANY
EVANS WOOLLEN, PRESIDENT

PRESENT THIS CARD TO
MR. L. A. BUENNAGEL, MANAGER
SAFE DEPOSIT DEPARTMENT

Figure 69: Here are shown some enclosures that make a distinct and individual appeal for safe deposit business. These are sent out to the mailing lists and also given out at the bank to customers of the various departments.

Fletcher
Savings and Trust Company
of Indianapolis

If you will avail yourself of the enclosed invitation, it will be my pleasure to show you the equipment of this company's safe deposit department.

Your visit will be interesting in showing to just what lengths a responsible bank like ours will go to insure absolute privacy. and protection for its safe deposit customers.

Then too you'll be surprised to see that commodious private safes inside our vault can be rented for about one cent a day—at which cost no one can afford to risk loss of their valuable papers, even if they have only insurance policies.

If you are a customer of any other department, I believe you will appreciate the advantage of having safe deposit accommodations in the same bank, also the ground floor convenience.

But regardless of whether you need this protection—come in and see this modern fireproof and burglarproof safe deposit vault. Will you please favor me with a reply on the enclosed card ?

Cordially yours,

L. A. Bruemagel,
Manager Safe Deposit Dept.

CAPITAL ONE AND A HALF MILLION DOLLARS

Figure 70: This letter, sent to a large list of prospects, brought many visitors and a substantial amount of new business to the safe deposit department. Note the reference to the "enclosed card"—Figure 63—and the use of the second person.

the bank received many expressions of appreciation. It also induced many lawyers to visit the bank and inquire about its trust services. In this way more than $250,000 in new business was created within a year.

Not long ago the head of a trust company in the south was asked by a customer what the bank meant by "fiduciary relations." The banker saw in this inquiry an opportunity to make the meaning of its trust services clearer to many. This is how he answered a question that usually puzzles 7 out of any 10 men in a special booklet he got out on the subject.

The trust department's relations with its customers are known as "fiduciary," which is another way of saying that faith is the trust department's stock in trade.

When a man dies or goes away on a journey, or loses his full mental faculties by reason of age, illness, or other causes, some agency must usually be employed which will be as faithful to him as he would be to himself.

When a corporation bonds itself to many investors, some trustee usually must be appointed who will be satisfactory to those investors as a faithful representative of their interests; and there are other business relations in which the services of a disinterested and faithful agency are valuable to the parties concerned.

For the purpose of brevity, I will leave these business trusts out of the question for the present, and devote myself to the personal services of the trust department.

This trust company ought to be executor under your will. Because,

1. You must appoint an executor or the Probate Court will appoint an administrator for you at your death. And how can you know who that administrator will be?

2. Your executor must be trustworthy now and certain to continue trustworthy for years.

3. Your executor must be capable and continue capable.

4. Your executor must be on the job and stay there.

5. No human being that you know, however loved and trusted, can fill all of these specifications. You can, of course, keep the 5% executor's fee "in the family" by appointing your wife or your son, but some perfectly natural error in judgment on the

part of such an executor may cost your estate 10 times the fee thus saved.

6. A trust company, while not infallible, is less likely to miss on any of the points I have outlined than any individual. If it does, by any remote chance, make a slip, its entire capital, surplus, and undivided profits (we have over eight millions) will have to be wiped out before the estate can lose one penny.

7. This trust company, so trust examiners say, is as careful as any executor now handling estates, and more careful than many of them.

By will, to take effect after your death or by deed during your life, you may create a trust, that is, give money, securities, or other property to this trust company as trustee. We can be instructed to hold, manage, invest, reinvest and pay net income to some third party or parties.

The fact that the law permits a man to do this makes it possible for him to protect his women and children against business risks, designing persons, or their own inefficiency, and at the same time to insure their receiving all that he has to give them.

This direct and simple answer aroused so much interest that it was later printed in artistic booklets and widely distributed.

The personal influence of the officers and the reputation of the bank obviously is of first importance in securing trust business. But in all trust companies something more is necessary.

Here again, we have the same vital problem of picking the right appeal and then making use of it in a way of particular interest to the prospect. With each branch of banking the details vary, but the fundamentals remain the same.

CHAPTER XV

HOW TO INCREASE DEPOSITS THROUGH THRIFT CLUBS

FOLLOWING a 30-day thrift campaign in which newspaper advertising was supplemented by illustrated personal letters and attractive souvenir pass books, a bank in a South Carolina city of 26,000 secured 6,311 Christmas savings accounts averaging $36.08. The cost of the advertising was $250. Of the $227,700.88 secured, 32% was transferred to the regular savings department after the Christmas checks were sent out, and a large portion of the balance was left in the special thrift club fund by the depositors.

The newspaper displays—flashing brief messages that urged savings—were attractively illustrated with pictures suggesting the Christmas spirit. This advertising was started about December 1 and ran until January 1.

The first letter, enclosing the souvenir pass book, was sent out about the middle of December. Another letter of acknowledgment and encouragement was sent when the account was opened. At the close of the year a third letter was put out. In it the bank urged the depositor to lay aside a part of the money on deposit for a regular savings account, and enclosed a voucher form so that the depositor could designate the amount to be transferred to a regular savings account and the amount to be paid to him in cash at once.

This plan created so much new business that the bank organized a separate department and appointed a special clerk to handle the accounts. This, to-

gether with the advertising, naturally increased the expense, but the added cost was considered insignificant when set up against the broader good will, the number of new faces brought to the bank, and the general benefit to the community.

Banks in all parts of the country, investigation disclosed, have exploited the Christmas savings club idea with success. Everyone spends money at Christmas time more freely perhaps than at any other season, and the banks have capitalized this tendency in attracting cash to the vaults.

The success of a plan of this type rests in a large measure on the conditions peculiar to the town involved and also on the competition of other banks. Since nearly all banks promote thrift clubs of one kind or another, the banker who expects to get the best returns from one must be constantly watching for novel and forceful appeals.

The remarkable success of the plan with the South Carolina bank already mentioned was due chiefly to the fact that it encountered no competition on Christmas savings from any bank nearer than 20 miles.

The influence of competition is interestingly exhibited, however, in the case of an Illinois bank in a manufacturing city of 75,000. This bank spent $400 in advertising along much the same lines as did the South Carolina bank, but secured only 4,000 depositors. The total deposits obtained totaled $65,000, of which 38% eventually was turned into the regular savings department. The two other banks in the city also had Christmas savings clubs the total deposits of which exceeded $350,000.

The plan of handling the accounts apparently is about the same in all clubs of this type. Payments are received in increasing amounts from 1 cent to 10 cents as a minimum and ranging upward to deposits of 50 cents, $1, and $5, a week. Sometimes, however, the method

is reversed and the largest single deposit is made the first week, and the size of the deposit gradually decreases. Pass books are numbered in the order the accounts are opened, and cards corresponding to the pass books are filed in numerical order and segregated according to the manner of making payments. When a deposit is made all the work that is necessary is to check the space opposite the amount printed in the pass book and on the cards.

A PLAN THAT BUILT UP A THRIFT CLUB OF NEARLY 20,000 MEMBERS IN TWO YEARS

When using a consistent advertising drive on regular savings, a bank can pave the way for its thrift club and also gain general publicity. The club advertises itself through its members when they are satisfied with the service given by the bank. They tell their neighbors and other friends about it and this usually results in a material increase in deposits.

A trust and savings company in a western city secured 6,000 members the first year and 13,300 the second year with a campaign of this type. The territory surrounding the bank was circularized with form letters, and street car cards were used extensively for a period of two months. In the second year the circular letter campaign cost the bank approximately $500. In addition to the letters, one-page circulars were distributed in the office buildings near the bank. The movement grew to such an extent through the influence of members of the club that the bank decided to stop advertising in the third year because of lack of facilities to handle the large number of depositors. Nevertheless, 9,300 members were enrolled the third year.

A careful check revealed that 15% of the money accumulated by the club during the third year was transferred to regular savings accounts. With no expense for advertising during that year, and with an

increased volume of deposits, a small but welcome profit was realized directly from the Christmas savings club accounts. While such a club may be of little value from the dollars-and-cents viewpoint for the first few years, it is almost always sure to develop direct returns eventually, as indicated by this instance.

"This profit is, of course, small," said the cashier, "but it indicates that the plan will produce something more directly profitable than getting people acquainted with the bank. However, we believe that getting people in compensates us for all the costs of the club."

For several years a bank in a thriving industrial city, situated in a rich farming section, has spent approximately $1,000 on a 30-day campaign for Christmas savings accounts. It advertised with full page newspaper displays, "movie" cards and circulars.

"I wouldn't do without the club if it cost the bank twice that amount," the head of this bank said. "The results may be intangible, but getting people to come in and getting them interested in this institution while educating them to save regularly is all but invaluable."

These general campaigns usually attract chiefly women and children, salaried workers, and the rank and file of the wage earners. Many bankers, recognizing these facts, have helped to organize separate and distinct groups of Christmas savers, but handling all as members of the regular Christmas savings club.

Practically every employer is anxious to have his employees save money and consequently a bank finds hearty cooperation ready for plans of this type. A large savings bank and trust company in St. Louis began in 1915 to organize savings groups in the larger industrial and commercial organizations. Three groups were formed the first year, 11 the second, and 17 the third.

The firms in which the clubs were organized, together with the amounts deposited, are as follows:

1915

The Globe-Democrat	$ 8,228.82
Frisco Lines	10,132.87
Skinner & Kennedy	1,280.06
	$19,641.75

1916

Frisco Lines	$12,655.39
The Globe-Democrat	6,325.44
Edw. Westen Tea & Coffee Co	727.31
Missouri Pacific Railway	1,219.65
American Central Insurance Co	3,074.40
Wheeling Corrugating Co	1,160.50
Con. P. Curran Printing Co	2,537.00
Wabash Railway Company	373.50
Frank Adam Electric Co	185.62
Wilson Printing Company	805.20
	$29,064.01

1917 (Estimated)

Frisco Lines	$11,000.00
The Globe-Democrat	7,500.00
Wilson Printing Company	2,000.00
Harris Polk Hat Company	2,706.00
Hess & Culbertson	3,600.00
Missouri Pacific Railway Co	2,600.00
General Electric Company	2,750.00
American Central Insurance Co. (Vacation Fund)	1,500.00
American Central Insurance Co. (Christmas Fund)	2,500.00
Con. P. Curran Printing Co	2,400.00
Wabash Railway Company	1,375.00
Laclede Steel Company (Madison)	9,000.00
Laclede Steel Company (St. Louis)	500.00
Frank Adam Electric Company	400.00
	$49,831.00

In most of these concerns the savers organize a club, elect officers, and turn over the deposits to one of these officers, who takes them to the bank. When

the money cannot be delivered in this way, runners are sent out from the bank to collect the deposits. In some firms certain sums are regularly deducted from the wages of the depositor by the cashier.

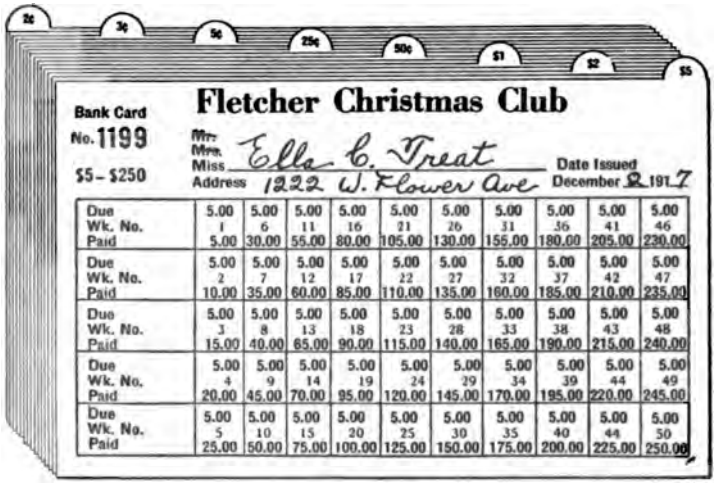
In the sixth year of its Christmas savings club plan, a national bank in a manufacturing city of 20,000 secured 4,000 members, and the accounts had a yearly average of $45. At the end of the year 30% of the money thus accumulated was deposited in regular savings accounts and a considerable portion of the money was retained in the club fund as well. During that year the bank's deposits increased $1,092,150.

During the first four years this bank advertised only in the newspapers, in which it used occasional displays on savings. When the fifth club was organized the cashier gave considerable attention to its members. He sent them letters and circulars and reenforced these with regular newspaper displays emphasizing the importance of saving regularly. The Christmas club and the advertising methods used in connection with it had a gratifying effect on total deposits. Their increase was as follows: First year, $1,106,725; second year, $1,239,280; third year, $1,466,946; fourth year, $1,659,310; fifth year, $2,751,460.

IS IT BEST TO HAVE DEPOSITORS CALL IN PERSON FOR THEIR THRIFT CLUB MONEY?

It is evident that the Christmas club in this bank, as in hundreds of others, was a vital factor in building business. In all the banks investigated the volume of deposits increased with each year's campaign, thus helping the bank to extend its activities along new lines.

Most banks require members of thrift clubs to call to make their withdrawals. Aside from getting the depositor into the bank, and thus within range of personal solicitation, this plan saves the cost of postage in mailing out checks. However, an Indiana bank



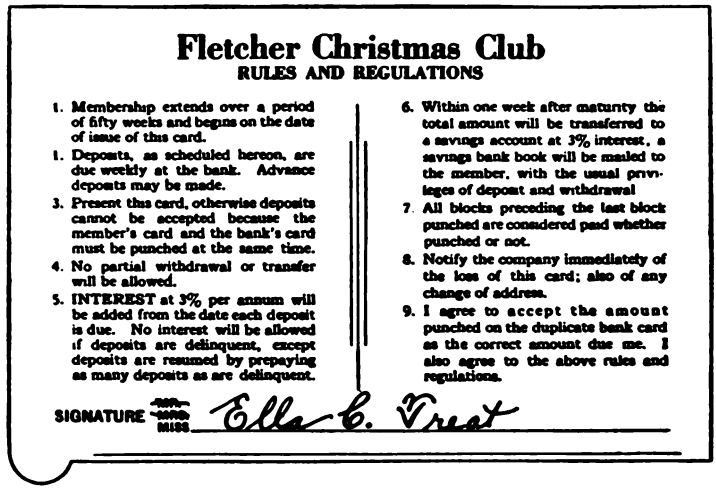
Bank Card
No. 1199
$5 – $250

Fletcher Christmas Club

Mr. / Mrs. / Miss Ella C. Treat
Address 1222 W. Flower Ave
Date Issued December 2 1917

Due	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Wk. No.	1	6	11	16	21	26	31	36	41	46
Paid	5.00	30.00	55.00	80.00	105.00	130.00	155.00	180.00	205.00	230.00
Due	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Wk. No.	2	7	12	17	22	27	32	37	42	47
Paid	10.00	35.00	60.00	85.00	110.00	135.00	160.00	185.00	210.00	235.00
Due	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Wk. No.	3	8	13	18	23	28	33	38	43	48
Paid	15.00	40.00	65.00	90.00	115.00	140.00	165.00	190.00	215.00	240.00
Due	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Wk. No.	4	9	14	19	24	29	34	39	44	49
Paid	20.00	45.00	70.00	95.00	120.00	145.00	170.00	195.00	220.00	245.00
Due	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Wk. No.	5	10	15	20	25	30	35	40	44	50
Paid	25.00	50.00	75.00	100.00	125.00	150.00	175.00	200.00	225.00	250.00

Figure 71: This punch card for keeping track of Christmas savings deposits was devised by one bank. The tabs show the various classifications of the accounts. The original goes to the depositor.



Fletcher Christmas Club

RULES AND REGULATIONS

1. Membership extends over a period of fifty weeks and begins on the date of issue of this card.
1. Deposits, as scheduled hereon, are due weekly at the bank. Advance deposits may be made.
3. Present this card, otherwise deposits cannot be accepted because the member's card and the bank's card must be punched at the same time.
4. No partial withdrawal or transfer will be allowed.
5. INTEREST at 3% per annum will be added from the date each deposit is due. No interest will be allowed if deposits are delinquent, except deposits are resumed by prepaying as many deposits as are delinquent.
6. Within one week after maturity the total amount will be transferred to a savings account at 3% interest, a savings bank book will be mailed to the member, with the usual privileges of deposit and withdrawal
7. All blocks preceding the last block punched are considered paid whether punched or not.
8. Notify the company immediately of the loss of this card; also of any change of address.
9. I agree to accept the amount punched on the duplicate bank card as the correct amount due me. I also agree to the above rules and regulations.

SIGNATURE ~~Mr.~~ ~~Mrs.~~ Miss Ella C. Treat

Figure 72: The other side of the card shown in Figure 71 provides space which is used effectively for rules and regulations and also for the signature of the depositor.

having several thousand members in its thrift club, mails them checks at the end of 50 weeks, enclosing form letters encouraging regular saving.

"This is service that the depositor appreciates, and at the same time we are soliciting his further business," says an officer of this bank.

As in many other banks throughout the country, this club is operated with a punch-card system (Figure 71). While there is practically no way to detect or check up on an error by this system, except by going through the books in which deposits are recorded—a long and tedious job—it is generally recognized as being an economical method.

In small towns results are sometimes more quickly apparent than in large cities. In the first year of its club, and using the punch-card system, a national bank in an agricultural community of 4,000 paid out more than $15,000. This money had a marked effect on the retail business of the locality. Several merchants came to the bank after the holidays and told how the club money helped to increase their Christmas sales. One dry goods merchant, for instance, declared one day's sales increased $2,500 immediately after the club members were paid and it was also reported many overdue accounts were settled with the Christmas checks.

This bank retained less than 15% of the money the first year, but by consistent advertising about thrift in the local weekly newspapers and in two moving picture theaters, it succeeded in holding approximately 50% of the club fund the third year in regular savings accounts.

Christmas clubs, of course, reach their top level in the middle of December, and then usually drop to a low level, only to be gradually built up again. To keep deposits of this type uniform the year around a bank must create an alternating peak. This usually

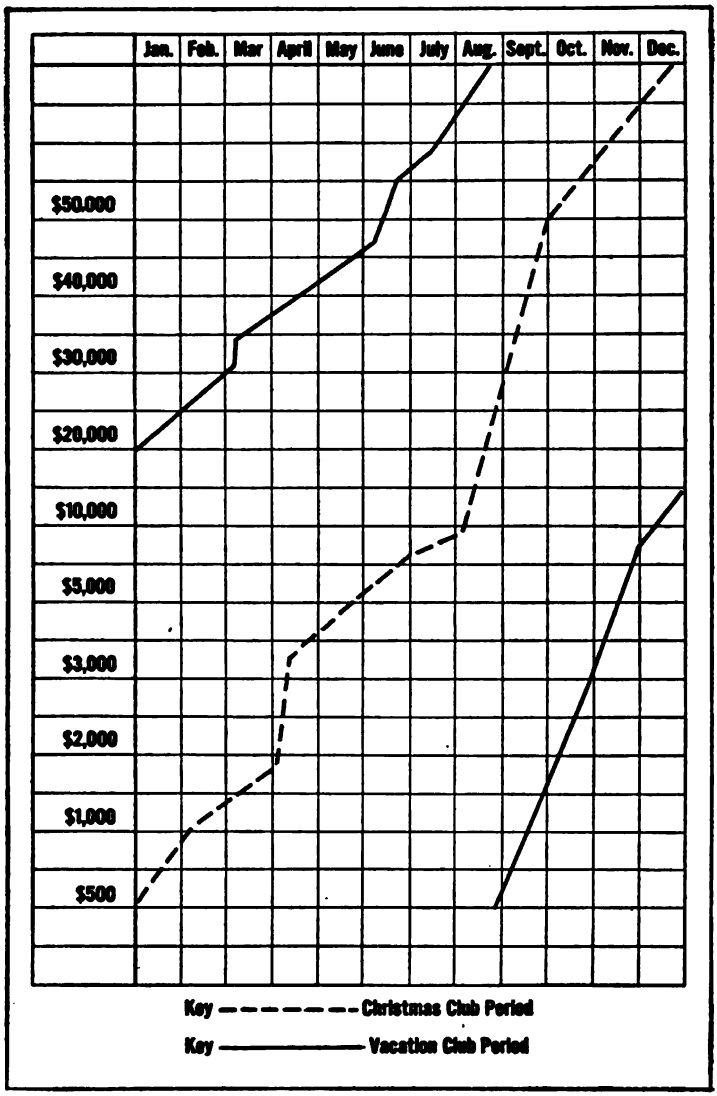


Figure 73: This chart shows graphically how an alternating "peak," created by the establishment of a Christmas club and a summer vacation club, keeps deposits of club funds uniform. At the same time it, of course, increases the volume of business.

can be done effectively with a vacation club that pays out in June or July.

Investigation showed that in promoting vacation clubs, more vigorous advertising methods usually are required than in handling Christmas clubs. By displaying attractive advertisements in newspapers and street cars, and by circularizing a list of prospects with a series of letters, a bank in Ohio secured more than 1,000 members in a vacation club. At that time it had 4,075 members in its Christmas club.

To handle the new accounts this bank provided one large room in the basement for both of the clubs. In many cases members of one club also joined the other. The chart in Figure 73 shows how the alternating peak helps the bank maintain uniformity in deposits of club funds.

Clubs of this nature have exceptional value as educational mediums, many bankers have found. They often develop regular savers and produce business that might never be secured by other methods.

Success with Christmas savings clubs prompted a bank in the east to organize a year-round thrift club. By presenting unique appeals in its newspaper and street car advertising copy, such as "make your baby a charter member," "your cow can join this thrift club," "start an account for your chickens in this thrift club," and the like, this bank gained county-wide attention. A number of form letters and booklets containing similar appeals were sent to prospects. As a result of the campaign 1,100 joined the club within nine months and the average size of each account was $22. One of the advertisements is shown in Figure 74.

In many cases accounts were attracted from distant points. One woman, for example, wrote from a town 23 miles away and enclosed a $10 bill, asking that it be placed to the credit of her baby. The bank wrote

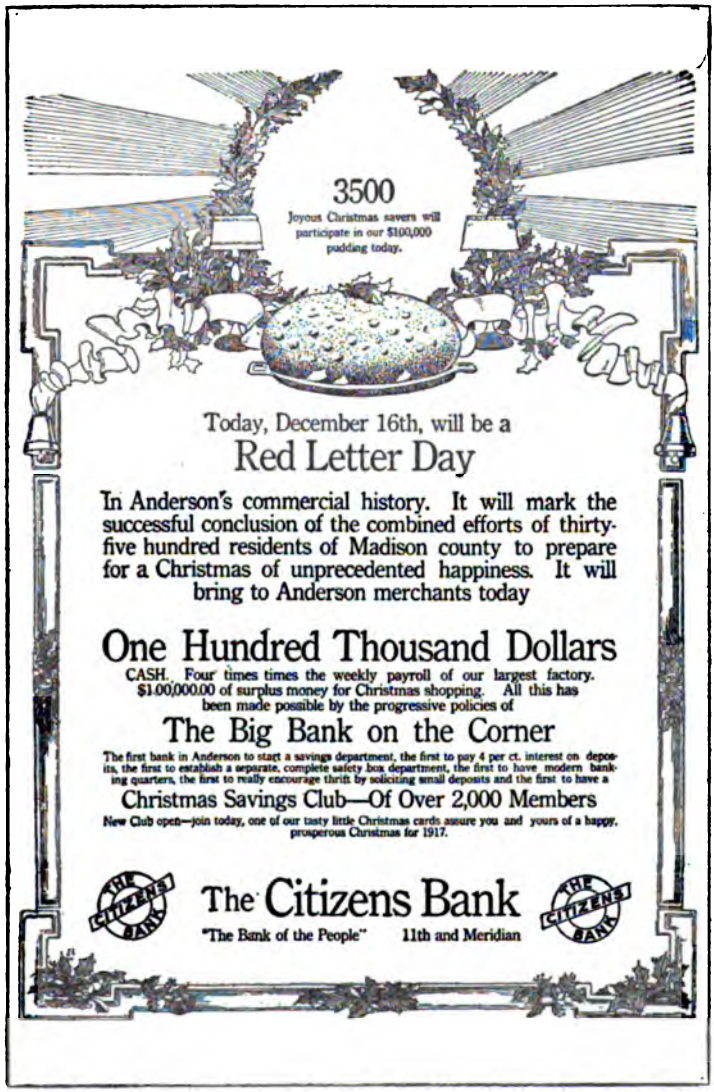


Figure 74: Above is shown the year's final advertisement of the Christmas Club of a get-ahead bank in Indiana. Snappy, attractive advertising like this is used throughout the entire year to promote community thrift, and it has proved an effective business builder.

Banks, civic organizations, and employers in many cities have worked out joint thrift campaigns that have increased the savings habit of the community. Within 30 days 762 new savings accounts were opened in the banks of Chattanooga as the result of a carefully planned campaign for the promotion of thrift by the Chattanooga chapter of the American Institute of Banking. The idea back of this campaign was one that banks in many cities can use profitably.

An advisory committee of well known citizens was formed, thus making the plan a sort of community project. Bankers, employers, ministers, school teachers, clubs, and newspapers cooperated. All the general advertising mediums were used and several forms of savings contests were conducted. Coupons were issued good for a deposit of 50 cents providing the depositor agreed to increase his account to $20 and carry a balance of at least that much for one year. Thirty thousand of these coupons were distributed among factories and schools and from house to house.

This campaign cost approximately $730. An immediate gain of 23% in savings deposits was recorded—an increase of 70% over the same period of the previous year. One bank alone obtained 200 accounts, representing a gain of 167% over the corresponding period of the previous year.

As most of these incidents go to show, building business for a bank is much the same sort of task as building business for a factory or for a store. Many different clean avenues lead to the common goal of increased profits, and it is wise to use as many as possible of them at the same time.

PART IV

THE SORT OF SERVICE THAT HOLDS BUSINESS

AUTHORITIES AND SOURCES FOR PART FOUR

Chapter XVI. Mercantile Trust Company, St. Louis, Missouri; Guaranty Trust and Savings Bank, Los Angeles, California; Bankers Trust Company, New York City; First National Bank, Cleveland, Ohio; Highland Park State Bank, Detroit, Michigan; Bank of North Lake, North Lake, Wisconsin; Bank of Burlington, Burlington, Wisconsin.

Chapter XVII. Northern Trust Company, Chicago; Crocker National Bank, San Francisco, California; Union Trust Company, St. Louis, Missouri; Cleveland Trust Company, Cleveland, Ohio; First National Bank, Chicago.

Chapter XVIII. State Bank of Chicago, Chicago; Mississippi Valley Trust Company, St. Louis, Missouri; National Bank of Commerce, St. Louis, Missouri; Fayette National Bank, Connersville, Indiana; Central Manufacturing District Bank, Chicago.

Chapter XIX. Bloomington National Bank, Bloomington, Indiana; Farmers National Bank, Shelbyville, Indiana; Continental and Commercial Bank, Chicago; Fletcher Savings Bank and Trust Company, Indianapolis, Indiana; National Farmers Bank, Owatonna, Minnesota; Old National Bank, Oshkosh, Wisconsin.

Chapter XX. Second National Bank, Toledo, Ohio; National Bank of Syracuse, Syracuse, New York; Watertown National Bank, Watertown, New York; St. Louis Union Trust Company, St. Louis, Missouri; Second National Bank, Toledo, Ohio; First National Bank, Chicago.

CHAPTER XVI

ORGANIZING A NEW-BUSINESS DEPARTMENT

THE president and secretary of a large middle western trust company recently visited 22 large banks and 15 small banks in search of effective business methods.

"The one, big, outstanding result of my trip," he says, "was the value of a new-business department in strengthening service, handling the advertising, and buying supplies."

A new-business department was organized in his bank and placed in charge of a junior officer who previously had supervised the advertising. In addition to attending to the publicity, this man's new duties consisted of purchasing printing and stationery supplies, obtaining regular reports from the different departments on new and closed accounts, and enlisting the support of the stockholders, the directors, and the banking staff in personal solicitation for new business.

Instead of the haphazard methods that formerly characterized the bank's direct advertising, the new-business department developed methods like those outlined in Part II and employed them for the upbuilding of each department.

The purchase of supplies was standardized. Samples of the printed forms used by the bank were pasted in a scrap book and identified by numbers. Provision was made for the careful storage of all this material in a room in the basement and a junior clerk was hired to look after it, to check incoming and outgoing supplies, and to handle incidental duties.

Catalogs and samples of different kinds of paper, together with prices were secured from the supply houses. All of this material was filed and listed in a card index. The head of the new-business department, therefore, also did the work of a purchasing agent.

During the first year this plan saved more than $3,000 on the purchase of forms for the counting room, and advertising supplies like booklets, letters, and souvenirs. It helped also to concentrate the expenditure for advertising along right lines and to improve the quality of the copy, because the information gathered from the different departments pointed the surest way to use new appeals.

An old and valued depositor, for example, suggested to a teller the possibilities for new business growing out of a big real estate transaction. The teller sent the suggestion to the new-business manager. He went out and talked to the men back of the deal and then submitted the result of his investigation to the officers. Through the personal influence of an officer and two directors a new account of $70,000 was secured.

HOW A NEW-BUSINESS DEPARTMENT OFTEN CAN SAVE FOR OTHER DEPARTMENTS

In addition to the advantages usually derived from placing publicity in charge of a special officer in big banks, or a special clerk in small banks, the new-business department is valuable if for no other reason than for the saving usually made in buying supplies.

For example, every printed form and every envelop used by a trust company of St. Louis in its 11 departments carries on its face an indication of the department in which it is to be used, how many times it has been reordered, the quantity last ordered, the date of the last order, and the number of the cabinet and shelf where the stock can be found.

The new-business department determined that the

general banking department would never need more than 400 different forms, so that department was assigned numbers from 1 to 400. The real estate department was given 401 to 700, the savings department from 701 to 800, and so on, in series, for the 11 departments.

An example of how this plan works out is shown by examining a blank used for notifications of telegraph charges. In inconspicuous type in the lower left hand corner is printed: "Form 84b ½M 1-16 C1 S1." The "84" means that it is a general banking department form, 84 being within the range of the form numbers of that department; the small letter "b" means that the present is the third order placed for this blank, which gives a line on the rapidity of consumption. The first order was Form 84, and the next was 84a. The next characters indicate that the bank ordered 500 (½M) in January, 1916, and that the stock will be found on shelf No. 1 of cabinet No. 1.

Though the cabinets in which the supplies are kept are practically dustproof, the new-business department opens packages only as they are needed for current use, keeping the remainder of each order wrapped, or in boxes. Since deeds, leases, warranty deeds, and other forms of this sort are expensive, they are ordered in small quantities. With such forms involved even a little waste often will run into considerable money.

By keeping all the stock of each form together, the possibility of reordering forms already on hand is reduced. A strict rule also is in force against issuing the last of any form before a reorder has been placed. Before reordering the form must be O. K.'d for any changes by the department using it. The department keeps a record of each form in a looseleaf book.

It has been found possible in many cases to save money by giving larger orders at one time. For

example, the bank ordered 50,000 copies of one form, for which it paid $36.50. Before the next order was placed the price of paper and other materials had gone up sharply. Experience indicated that 75,000 copies would not be too many of this form to order at one time. By taking that quantity the paper stock cost less proportionately. The new order cost $52.50—an increase over the previous order of about 3 cents a thousand, in spite of the increase in prices.

In ordering envelops, a similar plan is followed, except that orders often are placed in what might be termed "odd lots." For example, envelops are ordered in lots of 251,000. The extra 1,000 envelops often gives the department a lower rate, as quotations on orders of 250,000 to 500,000 usually are lower than on 250,000 or less. On the envelops the form number, quantity, and other data is printed on the upper right hand corner, where the postage stamp will cover it.

HOW ONE NEW-BUSINESS MANAGER CUT COSTS ON PRINTED MATTER AND ADVERTISING CUTS

In addition to the forms a great quantity of printed advertising matter is purchased. Much of this advertising is illustrated and cuts are used frequently.

These cuts are filed numerically, without reference to the subject or the department. The proofs of the cuts are pasted in looseleaf scrap books which are indexed according to departments.

In each cut cabinet there is a ruled slip upon which anyone removing a cut must write the number, to whom sent, and the date, and in a column headed "Returned," there is a space for the date on which it comes back. At frequent intervals these slips are checked, and if there are any cuts out that should have been returned, steps are taken to bring them in.

"We are especially careful," says the manager of this new-business department, "in the preparation of much

of our advertising matter, not to use names and data that are likely to change. Some advertising is as good one season as another. All advertising of this type is filed in a manner similar to that used for other printed matter. On the door of each cabinet where surplus advertising printing is filed is a pocket in which there is placed a specimen of everything contained in that cabinet. We write on a sample the number of the cabinet and the shelf where it will be found, and so save time by not having to look through every cabinet and shelf for what we want.

"This system has saved us a lot of time and money. It practically runs itself. Our printing bills, especially as they relate to advertising, have been cut down considerably."

Let us turn to another factor that has been effectively developed by a new-business department—the co-operation of employees, from the office boy to the president. The experience of the Guaranty Trust and Savings Bank of Los Angeles illustrates how this is accomplished.

The new-business department of this bank not long ago offered monthly rewards for suggestions on improving its advertising and service and in eliminating waste. It offered $5 for the best suggestion, $3 for the next best, and so on. Sixty suggestions were handed in during the first month by the employees and turned over to the new-business department. The following month the number increased and now it is not uncommon to receive several suggestions daily from each department. All suggestions of value are sent to the officers. This has created direct lines of communication between the head of the new-business department and members of other departments.

"Our new-business department," says the manager, "is better equipped than any other department to extend service to patrons. We have organized the

department so that the entire staff can be used temporarily to relieve a congestion of work in other departments. For instance, if the savings department needs another teller in an emergency, I can send one of my men."

To make this department's work most effective, the bank has followed this plan:

1. Granting to the manager of the department more than ordinary executive authority.
2. Locating the department at a strategic point in the lobby.
3. Urging the cooperation of all employees.

The general improvement of the bank's service is one of its chief duties, and its quarters are located at a point in the lobby from which the new-business staff can see the tellers waiting upon customers.

IN THIS BANK THE NEW-BUSINESS DEPARTMENT GETS THE COOPERATION OF ALL EMPLOYEES

To arouse and sustain interest among the bank officers their assistance is secured. One of the vice-presidents, for instance, is consulted on newspaper advertising and news items; another's views are sought on all special plans, such as Christmas campaigns. When general service is under consideration the new-business manager confers with the cashier.

Employees of this bank are required to take a written examination once a month. The questions are prepared by the manager of the new-business department, and, after they are approved by the cashier, are sent to the employees, who have one week in which to return them with their answers. This plan has produced remarkably satisfactory results in improving the work of all the departments. A typical set of examination questions, with answers, follows:

Question 1. If you are asked if this bank is "safe," how should you answer?

Answer. To answer the question properly the employee should set forth a few reasons why the bank is safe. For instance: "This bank has had over 20 years of successful banking experience; it has a capital and surplus of over $2,000,000; it is conservatively managed by men of long experience; it has a strong directorate of local business men; its loans are all amply secured by first mortgages on real estate, or high grade bonds, or other sound collateral. This bank never speculates."

Question 2. If a depositor asks you to make out a deposit ticket, what do you say? If you decline, state the reasons you give the depositor.

Answer. To answer this question properly, the employee should address the patron along the following lines: "For your security this ticket should be in your own handwriting. There can never be a dispute if you make out the ticket. I will check it over and thus eliminate any chance of there being more or less than the amount indicated. This ticket is always preserved in your files and you can refer to it at any time you desire."

If patrons are illiterate or incapacitated the employee should assist them, being careful to explain just how the ticket is filled out, so that, if possible, the patron can fill out a ticket for himself the next time he calls to deposit funds.

Question 3. A stranger calling at your window asks to know if any money has been telegraphed to him? How do you direct him?

Answer. To Mr. Robinson at window number 4. The employee should always give explicit directions. Under no circumstances should a stranger be misdirected, for if his first impression of the bank's service is unfavorable he is not likely to open an account.

Question 4. How should you treat information about bank business or the business of its depositors?

Answer. Confidentially—under every circumstance and condition—with no exceptions.

Question 5. If you have knowledge or a well-founded suspicion of any wrong doing or failure to perform duty on the part of any employee, whereby the bank will be injured, what is your duty?

Answer. To report all facts at once to the officer in charge of your department.

"In the development of employee cooperation, in the intelligent direction of publicity expenditure, and in the preparation of copy, our new-business special bureau has effected large economies and accomplished distinctive results which we have found it impossible to get in any other way," says an officer of this bank. "It also saves the time of the officers by relieving them of numerous interviews with salesmen and solicitors. These visitors appreciate considerate treatment and are more inclined to boost for our bank."

HOW A MIDDLE WESTERN TRUST COMPANY EFFECTIVELY ORGANIZED ITS NEW-BUSINESS DEPARTMENT

It is evident, in short, that one of the most important steps to take in securing new accounts is to place the proposition in the hands of a special department, or at least in the hands of an officer who can give the problem sufficient study and attention.

By following this plan the new-business department of a middle western trust company has created a considerable volume of new business. The department consists of a vice-president, who is in general charge, a manager, two staff men, and a stenographer. With the exception of the vice-president all are engaged exclusively in going after new business.

"It is desirable in organizing this sort of a department to select men who have a thorough knowledge of the bank's policy, a wide acquaintance, and considerable ability as salesmen," said the vice-president.

"The members of our new-business bureau meet twice a month and the record of all work accomplished in the preceding two weeks is read into the minutes, together with the names of prospects and suggestions on how to increase deposits."

The names of prospects and the data concerning them is kept in a card index. On the card is written the date, the name, the address, and the business of the prospect, and the department in which he probably will be most interested. At the upper right hand corner of the card, is a number indicating the file where more complete information about the prospect can be found.

This information is gained in many different ways. A great deal of it is gathered by the solicitors attached to the department. Occasionally the bank's officers supply valuable leads. Frequently old customers make profitable suggestions and sometimes they bring their friends into the bank. The new-business department meets both old and new customers, explains the bank's services in detail, and offers special assistance.

When the desired information about a prospect is placed before the new-business manager he dictates a complete report to the stenographer, who also takes care of the files. Space is provided in this report for the date of sending a letter, or of making a call by a representative who is named, and a description of the final disposition of the situation. If the information relates to an especially attractive account, it is also filed in the tickler.

In this way the department always keeps a line on a large number of prospects. If a name is mentioned to the manager as a possibility for new business he first refers to the index or tickler file to find out if he already has the prospect listed. If not, a new card is made out and a solicitor is sent out to secure complete information concerning the prospect.

SEE TICKLER T-24

NAME H. J. Manley	SUGGESTED BY Kyle
ADDRESS 1472 E. 72d City	DATE 4/10/17
BUSINESS Drugs	FOR Commercial Business
	Savings Business
	Registership
Offices Directors	Securities
	Real Estate Business
	Safe Deposits
Note if Depositor or not.	

Figure 76: This simple card form is considered indispensable to the work of the new-business department of an eastern trust company. As you see, much valuable data can be kept in small space.

LETTER	CALL	BY WHOM	RESULTS
3-17-17		W.F.K.	No Reply
	4-10-17	T.E.H.	Call on April 14.

DISPOSITION

Figure 77: The other side of the card shown in Figure 76 provides space for an accurate record which helps the department to proceed with precision and promptness in getting accounts.

Prospect cards are arranged in alphabetical order, while under the head of "Subject Matter Memoranda" detailed information about prospects is arranged by the days of the month, according to the date determined for a call upon the prospect. For example, if a representative calls on H. J. Manley on Monday, April 10, and is told that Friday, April 14, would be a more favorable day for an interview, the Manley data is filed under the 14th. In this way the solicitor always is armed with detailed information that helps to land the customer. Ordinarily the data is not filed more than a month in advance (Figures 76 and 77).

THIS NEW-BUSINESS DEPARTMENT MAKES A STRONG APPEAL THROUGH THE SERVICE IT GIVES

In analyzing competition and in planning to meet it the new-business department often can perform another valuable function. The new-business department in a western bank makes out a statement, following each state or national call, showing how the resources of competing banks are utilized and how assets are disposed of. This comparative statement, part of which is shown in Figure 78, is sent to the officers.

Good service, perhaps, counts more than any other single element in securing new business and in keeping old customers. The methods already outlined show how some larger banks have won the loyalty and support of their working force, and enlisted their stockholders and directors in developing deposits. They illustrate how every prospect receives careful consideration, how competition is successfully met, and how the expense of development is controlled. These methods apparently do not involve cumbersome and unnecessary detail, and the business gained usually justifies the disbursement.

Investigation indicates that returns from plans of

A STATEMENT OF RESOURCES UTILIZED AND DISPOSITION OF ASSETS

December 27, 1916 to March 6, 1917

CITIZEN'S STATE BANK

RESOURCES UTILIZED	DISPOSITION OF ASSETS
THIRD SAVINGS BANK	
34,000 Commercial loans less	240,000 Savings bonds and mortgages more
27,000 Savings loans less	3,000 Banking house more
28,000 Commercial bonds and mortgages less	6,000 Premium account more
5,000 Contracts less	627,000 Reserve on hand more
20,000 Surplus and profits more	70,000 Commercial deposits less
850,000 Savings deposits more	
CENTRAL TRUST COMPANY	
8,000 Demand collateral less	60,000 Time collateral more
19,000 Mortgages with state treasurer less	335,000 Real estate mortgages more
111,000 Bonds less	5,000 Advance to trusts more
4,000 Trust company building less	45,000 Due from banks more
38,000 Profits more	406,000 Reserve on hand more
641,000 Trust deposits more	12,000 Items more
8,000 Reserve for interest more	
FOURTH NATIONAL BANK	
399,000 Loans less	7,500 Federal bank stock more
8,000 Overdrafts less	36,000 Banking house more
90,000 Bonds less	632,000 Due from banks more
	874,000 Cash on hand and reserve more
20,000 Reserve bank deposits less	28,200 Redemption funds more
243,000 Exchange less	325,000 Due to banks less
44,000 Profits more	
152,000 Deposits more	
BUSINESS' STATE BANK	
9,000 Commercial loans less	410,000 Savings loans more
1,000 Premium account less	135,000 Commercial bonds and mortgages more
2,000 Furniture and fixtures less	500,000 Savings bonds and mortgages more
8,000 Other real estate less	7,000 Overdrafts more
150,000 Surplus more	8,000 Due from banks more
18,000 Profits more	20,000 Transit more
720,000 Savings deposits more	15,000 Construction account more
265,000 Commercial deposits more	546,000 Reserve on hand more
	9,000 Cash items more

Figure 78: This comparative statement shows how the new-business department of one bank cooperates with the officers in keeping a line on competition. This data also acts as a guide in launching campaigns to meet competition.

this type are proportionately as large in smaller banks. The president of a Wisconsin bank in a town of 3,000 for example, organized his department to get new business and ran it himself. It did not interfere with his other duties. At a meeting of the directors and stockholders he asked for their cooperation in winning new accounts and requested that they submit the names of anyone they thought could be interested in the bank's activities. Within a month more than 500 names were received. The president then wrote to all these prospects. One of the first to respond was a farmer 20 miles away who wanted to borrow $4,000 on his farm.

"We asked him why he came to us; why he overlooked the bank right in his neighborhood," says the president.

"I liked that letter you sent me," the farmer answered. "You showed more real interest in my affairs than does the bank where I have been doing business for a long time."

The president and a few directors went out to the prospect's farm, examined it thoroughly, and approved the loan application for $4,000. A few days later another farmer, a neighbor of the first borrower, heard about this service. He wanted a small loan on adequate security and he was accommodated.

"This gave me the cue for fighting for a lot of new business that was going to my competitors," declares this banker. "I followed up the letters by distributing a few hundred farmers' account books. These books aroused much interest. The next step was to focus attention directly on the bank as an institution of worth while service."

After consulting some of the directors it was decided to call a meeting of farmers to be held in the country school house. The president of the bank proposed that a lecture be given by an agricultural expert who would

be able to tell how the account books could be used best.

Arrangements were made with a professor from the state agricultural college and he spoke for three hours to a large audience of farmers. At this meeting the president of the bank widened his acquaintance. A list of all those present was made and interesting farm literature was sent to it from time to time. These methods emphasized the willingness of the bank to help its customers and in one year its farm business increased $283,000.

This bank, therefore, pursues a policy that is applicable in almost any small bank and at the same time it closely approaches the standards set by the highly developed new business bureaus of bigger banks.

After all, new-business comes to big and little banks alike as the result of using about the same general principles. Mere size hardly ever changes principles.

CHAPTER XVII

PUTTING SOLICITORS ON THE RIGHT TRACK

AN estate of $125,000 recently was placed in charge of a western trust company, principally as the result of a single call made by the head of the new-business department on a wealthy business man whose name was suggested by an old customer of the bank.

Armed with information obtained from the old customer the manager was able to approach his prospect with effective arguments. He knew, for example, that the prospect was negotiating with another trust company and that the cost of the service would be an important factor in landing the business. After he presented his bank's scale of fees, the prospective customer telephoned to the other bank, learned its fees and compared the two in the presence of the manager. There was but little difference, still with a strong talk on his bank's service the manager landed the business.

In a short time this new-business department manager began to cultivate closer acquaintanceship of this new customer. He brought up the question of safety deposit service and rented him a $10 safe deposit box. Before long the customer was induced to visit the bond department of the bank and eventually he made substantial purchases.

During this progress no attempt was made to secure his commercial account, but the bank made it a point to place every service at his disposal. He became a well satisfied customer and in due time

transferred his commercial account from a national bank to this trust company.

Personality, tact, and salesmanship were important factors in winning this prospect, but the lead provided by the bank's old customer, was, of course, the starting point.

In many banks a special effort is made to get leads of this sort from customers. Cards of introduction have served this purpose admirably. A large bank in Chicago for several weeks handed to every customer of the savings department a card calling attention to the number of accounts opened in the previous year and requesting depositors to help in a campaign for new business. An introduction blank was attached (Figure 79). Many customers sent relatives and friends to this bank to open accounts.

A Cleveland bank obtained as satisfactory results with a card folded on a perforated line. One side of the card was in the form of an invitation to the customer to cooperate, while the upper half of the other side showed a comparison of deposits. On the lower half was an introduction blank (Figure 80).

The president of a small bank in an agricultural district of the Middle West asks his employees to be on the alert at all times to get new-business leads. Each employee is provided with a note pad upon which he can jot down any information he learns. These notes are submitted to the president every day and they often help him to keep track of prospects, to prepare arguments that will appeal to them, and to time his visits effectively.

The cashier learned, for example, that a farmer was to sell 40 acres of land on March 1. He noted the date and passed it on. The president entered the information on his calendar under date of February 25, and on that day called upon the farmer. He went into detail on the bank's facilities and extended an invita-

THE GUARDIAN SAVINGS AND TRUST COMPANY

322 EUCLID AVE. 966 SUPERIOR AVE., N. W.

CLEVELAND, O. May 25 1917

GENTLEMEN:

THIS WILL INTRODUCE

M L. M. Williams

WHO DESIRES TO OPEN AN ACCOUNT WITH YOU, AND WHOSE CORRECT SIGNATURE YOU WILL FIND BELOW.

BESPEAKING FOR him YOUR COURTEOUS CONSIDERATION, I REMAIN

VERY TRULY YOURS,

W. C. Hale

SIGNATURE OF

L. M. Williams

Figure 79: Here is shown a simple perforated card which enables one bank to get profitable leads for new business through the cooperation of present savings depositors.

To You—

Our Savings Depositor:

During the past year we have opened almost 6,000 new accounts in our Savings Department and are anxious to make a RECORD for the month of December—the close of the first six months in our new quarters. Our depositors have sent us a large part of our new business—probably you have sent someone yourself—we know you did if you had the opportunity and we want to thank you for your interest.

You keep your money here because you know it is absolutely safe—and because we pay 3% interest on your deposits—but perhaps some of your friends may not know about our Savings Department. Will you tell them? Our convenient location and ***National Bank protection for their savings*** are points they cannot afford to overlook.

THE NATIONAL CITY BANK OF CHICAGO

DAVID R. FORGAN, President

TEAR OFF THIS CARD AND GIVE IT TO A FRIEND

Chicago.....

The National City Bank of Chicago
S. E. Cor. Dearborn and Monroe Streets
Chicago, Illinois

This will introduce my friend, who wishes to open a National City Savings Account.

Signature of Bearer:

National Bank Protection for Your Savings

Figure 80: This card serves the same purpose as the one shown in Figure 79. The card attached to the perforated line gives the record of new accounts, thus advertising the bank as well.

tion to the prospect to use the director's room in which to negotiate the sale. The farmer was pleased to have the banker take this personal interest. He accepted the invitation and after the sale was closed he deposited $4,000.

Among other sources, newspapers, trade papers, and so on, often furnish valuable leads. A solicitor for a large trust company in the East secured an account of $25,000, and, eventually, business involving a much larger amount, by following up a real estate transaction. He learned first about the deal in the daily newspapers. Then he found out the name of the seller through the brokers negotiating the sale. An interview with the seller brought out the fact that the deal was closed and that he was establishing new interests in the South. The solicitor, by pointing out the bank's extensive connections in the South, succeeded in less than half an hour in getting an account of $25,000.

This incident illustrates only one of the many opportunities that often produces new business for this bank. When clubs are organized or corporations formed usually the newspapers announce the facts, and they are, therefore, logical sources for leads in getting new commercial business, this bank believes. Newcomers in the mercantile or industrial field also are solicited.

DOES IT PAY TO INVESTIGATE THE STANDING OF PROSPECTS BEFORE GOING AFTER BUSINESS?

There is a wide difference of opinion among bankers as to the best methods of approaching prospects. Some banks allow solicitors to go after business in a haphazard fashion. They are not required to make any special preparation for interviews and the question of credit generally is allowed to adjust itself until the prospect visits the bank and talks with the officers.

RETURN TO NEW BUSINESS DEPARTMENT

SHALL WE SOLICIT

Yes ✓ or No

Name: Means, C. L — Address: 601 Crescent Place

Business: Broker (grain) — Rating: A 1

Firm members-Officers, etc., Address (X) — Known to: Davis

Suggested by: A. F. Kidwell — Approved: C. D. Thomas

Will we make loans? Yes

Keep accounts at: First Nat'l — Security

Why?

OFFICERS	APPROVED	DISAPPROVED	DATE	REMARKS
President	✓		11/17	
Vice President	✓		11/17	
Cashier	✓		11/18	
Assistant Cashier	Davis		11/18	
Assistant Cashier				
Assistant Cashier				

Called — Card made

Figure 81: An eastern bank maintains a comparatively conservative policy in soliciting business, as indicated by its form shown above, on which the approval of officers must first be given.

Name — Address

Business — Rating

Firm Members—Officers, etc.—Address (X) — Known to

Suggested by — Approved

Will we make loans?

Keep Accounts at

Why

Figure 82: This form follows up the one shown in Figure 81 and is filled out after the first visit made upon the prospect.

FIRM NAME	ADDRESS	TEL.
OFFICERS	DIR.	
SEE	KNOWN TO	

	CHECKING	INTERESTED IN	RETURN CALL
	SAVINGS		
	SAFETY BOX		

REMARKS

NAME	ADDRESS	TEL.
BUSINESS		
INTERESTED IN		
KNOWN TO		

	CHECKING	INTERESTED IN	RETURN CALL
	SAVINGS		
	SAFETY BOX		
	TRUST		

REMARKS

BUSINESS		
BUSINESS ADDRESS		
DATE OPENED	AMOUNT	BASIS
OPENED WITH CHECKS ON		
INTRODUCED BY		
ACCOUNT WITH FIRST TRUST & SAVINGS CO. -- YES -- NO		
REFERENCES AND CONNECTIONS WITH OTHER ACCOUNTS		
REMARKS		
OPENED BY		

Figures 83, 84 and 85: The top card is used in the solicitors' files for follow-up on firms. Figure 84 (middle) serves a similar purpose for individuals. Figure 85 (bottom) is not brought into use until the account is actually opened.

exactly the reason why a business man complains of banking service, he often is able to suggest remedies. At the same time he can avoid dangerous new accounts that might cause losses.

An initial credit file is used by a national bank in the East for compiling information on prospects. By consulting this, the vice-president, who directs publicity, prepares for interviews and makes his calls timely. When a new account is opened the name of the customer is placed on a simple form, together with the address, business, means of introduction, and a list of any other banking connections, and, if a corporation, the names of the president, vice-president, secretary, and treasurer. Space is left for "account opened," "by whom," "account closed," "by whom," "amount of the first deposit," and "with what bank the last account was kept."

This affords reliable information in following up closed accounts as well as in getting new business. Approximately 50% of the prospects solicited have become customers.

HOW ONE BANK HELPS ITS SOLICITORS TO GET A LINE ON NEW BUSINESS

"Before soliciting an account," says the vice-president of this bank, "we make sure of the points to be emphasized in outlining our service, and of how we can be of the most benefit to the prospective customer. Furthermore, we study his business carefully and find out how it has progressed under certain conditions, the general methods of his firm, its business policy, and so on. The credit file gives us the mercantile rating of a large number of firms, as well as other information that is of decided value in going after or in handling their financial business.

"However, we do not rely entirely upon the reports of credit bureaus. For example, a company incor-

porates in Kansas City and opens negotiations with a bank there. If we are interested in the account here we write to the Kansas City bank for detailed information about the company's soundness, its policy, what credit it will demand, and so on.

"After we get this information it is transferred to the files. A note is then sent to the solicitors and the officers stating that the facts in connection with the prospective account are ready for reference. This method strengthens the personal appeal and at the same time enables us to choose our customers carefully."

A small bank in a growing city in the Northwest increased its deposits from $360,000 to $510,000 in one year, and secured 20% of all accounts it solicited, by making "accommodation" the keynote of a vigorous personal campaign. Many young business men who were hampered by lack of credit at the two other banks in the city responded immediately to the "accommodation" appeal of this bank's solicitations and were granted loans consistent with the condition of their businesses.

An actual check on the results of these loans showed that one young business man made $4,000 on his loan of $600; a druggist was able to develop his business until he now operates a chain of profitable stores in the rural districts; and a grocery supply dealer plodding along in a small way was given financial assistance in a business-getting campaign that eventually made him sales manager of a large Chicago wholesale grocery.

At least three solicitations a day were made by this banker. He personally distributed literature among his prospects and learned by investigation exactly how far he could go in extending credit. Thus his foresight, backed up by a direct and vigorous personal appeal, helped him to attract new business.

When stockholders and directors cooperate with the

officers and other bank employees in a campaign of personal solicitation gratifying results normally are certain to follow. In all banks, of course, the stockholders and directors are expected to use their influence in getting new accounts, but unless they are frequently reminded how valuable they can be, they are likely to relax their efforts. The directors, especially, usually have their fingers on the commercial pulse and know the value and size of many prospective accounts. In getting more savings deposits the stockholders and the bank employees often can furnish leads and effective assistance.

Cooperation of this type helped to bring an account of $150,000 to a large banking institution in the Middle West. In a conversation with the new-business manager a stockholder mentioned a certain manufacturer as a likely prospect. The new-business manager kept the manufacturer in mind and called on him later.

"Yes, I understand that if a man goes down to your bank and lays down a hundred gold dollars he can borrow a hundred," said the manufacturer after listening to the bank man.

"Well, we are not quite so bad as that," was the reply. "But even so, that speaks well for it as a safe place for your money, doesn't it?"

This remark made an impression upon the manufacturer and a few days later he presented his check for $150,000 and took out a certificate of deposit.

In letters to stockholders, directors, and a selected list of old customers urging team work in building business, a southern banker enclosed addressed postcards with space on the reverse side for names of prospects. This plan produced considerable business when followed up by personal solicitation and letters to the prospects suggested.

A large eastern bank divided its officers into several

groups and asked each group to analyze and solicit selected lists of prospects. To each group was assigned one distinct class of prospects. For instance, one took care of manufacturers, another handled retail merchants, a third professional men, and soon by groups for contractors, builders, real estate agents, transportation companies, insurance companies, engineers, and the like.

This plan enables the officers to study closely each class and the individuals in each class. From those upon whom calls are made information is obtained that is valuable in soliciting others in the same class. The stockholders and directors of this bank also are constantly on the alert to obtain business-getting information which is transmitted by telephone or in person to an officer in the bank so that immediate action can be taken.

All the stockholders of a small bank in Illinois are either active or retired farmers and many of them have extensive acquaintanceship throughout the surrounding counties. These men are continually creating leads, mainly through conversations with other farmers, and these leads usually are followed up by the president of the bank, who sends out letters or makes personal calls. This kind of solicitation has produced more farmers' accounts for this bank than any other two local banks have.

With a little extra effort on the part of stockholders and directors similar results may be attained in almost any small country bank. Their influence often is carried into the homes, savings accounts of the sons and daughters are obtained, and an almost endless business-building chain created.

CHAPTER XVIII

PERSONAL APPEALS THAT WIN

CASH prizes to encourage employees in getting new business helped a large middle western savings bank obtain 5,627 new savings accounts with total deposits of $305,041 from a five months' campaign which cost $2,140. All the work was done outside the bank and after normal working hours. Each employee framed his own appeal.

Much of the soliciting was done among friends of the employees, but it did not stop there. Offices and factories were visited at the lunch hour or on Saturday afternoons, and the clerks, bookkeepers, and tellers worked with as much zeal as regular solicitors. In many cases the workers had club and lodge affiliations through which they obtained new business.

Although opportunities for developing business are perhaps not as numerous in small towns, nevertheless, investigation revealed that success is attained in many small banks by plans like those used in large cities.

A small bank in a southern city gained 175 accounts through personal appeals, and thereby helped to increase deposits $150,000 in a year. The cashier was a member of several fraternal organizations and had a wide acquaintance. He was often able, therefore, to make his appeals doubly effective.

A comparison of the figures that follow shows that the cost of a campaign of this type in a large middle western bank was approximately 1% of the deposits gained. The expense of printing bulletins and so forth was small in proportion to the amount of prize money

awarded, as is shown by the report of the results (Figure 86).

In this campaign separate contests were held among the employees. In organizing the contests the bank divided the employees into five companies, A, B, C, D, and E (Figure 87). Under the rules, which were outlined in a pamphlet, or "pep" bulletin, given to each employee, new accounts were to be secured exclusively through personal work and credits were not to be transferred. To obtain credit for business secured the employee was obliged to report his work to the manager of the savings department, either in person or by note. Credits for accounts obtained were figured on a system of points.

The points were computed as follows: $5,000 and up, 250 points; $2,500 to $5,000, 150; $1,000 to $2,500, 120; $500 to $1,000, 90; $250 to $500, 75; $100 to $250, 65; $25 to $100, 50; $5 to $25, 35; $1 to $5, 5 points.

Three cash prizes were offered to the companies as units:

1. To the company gaining the highest number of points during the contest, $200.

2. To the company gaining the second highest number, $125.

3. To the company gaining third highest number, $75.

Total, $400.

The individual prizes for members were awarded according to points secured and were: First prize, $100; second, $65; third, $40; fourth, $35; fifth, $25; sixth, $15; seventh prize, $10, making a total of $300.

In addition to these prizes, a bonus of 50 cents was paid on every new savings account of $10 or more brought in by employees not later than the date set for the closing of the contest.

Under this plan every employee got an opportunity to prove his value to the bank and to earn additional

NEW BUSINESS DEPARTMENT

_____ Feb. 2

MEMORANDUM

RESULTS OF SAVINGS CONTESTS

CONTEST "A" (Aug. 21 to Nov. 15)			CONTEST "B" (Nov. 20 to Feb. 1)		
Number of accounts gained		2,391	Number of accounts gained		2,236
Total new deposits		$104,850	Total new deposits		$200,191
Average of accounts		$44	Average of accounts		$54
Number of contestants		112	Number of contestants		130
Bonuses at 50¢ paid	$643		Bonuses at 50¢ paid	$625	
Cash prizes awarded	640		Cash prizes awarded	550	
Incidental expenses	214	$1,517	Incidental expenses	248	$1,423

RECAPITULATION

	New Accounts	Total Deposits	Approximate Cost
CONTEST "A"	2,391	$104,850	$1,517
CONTEST "B"	2,236	200,191	1,423
	4,627	$305,041	$2,940

TOTAL NUMBER OF SAVINGS ACCOUNTS

February 1, first year	30,289	
February 1, second year	32,651	Gain 2,362
February,1, third year	34,451	Gain 1,900
February 1, fourth year	34,314	Loss 137
February 1, fifth year	40,598	Gain 6,284

Net gain in four years 10,309 accounts, of which 5,627 were gained during the contests

Figure 86: A study of this report should convince that the results of personal appeals by employees usually more than justify the expenditure. The accounts secured in the two contests cost the bank in advertising approximately 55 cents each.

compensation while doing it. In subsequent contests the same fundamental rules applied, although the amount of the prizes was changed to conform to the length of the campaign, the season of the year, and so on. As Figure 86 indicates, the largest net gain in savings accounts and deposits in five years was made during contest periods.

Enthusiasm was maintained during all contests by the regular distribution of card bulletins (Figure 88) showing the results and commenting upon the work of individuals and teams, and by occasional meetings of employees in which successful business-getting appeals were discussed. Each employee also was requested to familiarize himself with the bank's facilities and to emphasize the service of all departments.

HERE A "SIXTY-MILLION-DOLLAR CLUB" WAS BUILT BY PERSONAL APPEALS

With deposits around the forty-million mark on November 1, 1915, the National Bank of Commerce of St. Louis, which has no savings department, organized what it called the "Fifty-Million-Dollar Club," to get commercial accounts. Three months later this bank crossed the fifty-million mark in deposits and immediately organized a healthy "Sixty-Million-Dollar Club" in much the same manner.

In promoting the first contest cash prizes were offered as follows: Class A, $125; Class B, $100; Class C, $75.

Bulletins giving the rules of the contest were distributed to employees (Figure 89). The first class consisted of department heads and tellers, who had a greater opportunity to attract large accounts, and the other classes were made up of the younger employees. Each member wore a small blue button with the figure "50" in white on it, in the lapel of his coat.

Bulletins were issued to the employees weekly to

RULES OF THE GAME

1. New accounts are to be secured through personal work. Credits cannot be transferred to another employee.
2. To obtain credit for business secured, the employee should report the new customer to the Manager of the Savings Department either personally or by card.

Credits for accounts obtained are figured on a system of points computed as follows:

Number of Points Allowed for Accounts of

$5,000 and up,	250		
$2,500 to $5,000	150	$100 to $250	65
1,000 to 2,500	120	25 to 100	[illegible]
500 to 1,000	90	5 to 25	[illegible]
250 to 500	75	1 to 5	[illegible]

COMPANY "A"

Henry Bosse, Captain
B. Valstrunes, Lieutenant

1. Abealonsen, Alf.
2. Anderson, Earl M.
3. Anderson, John
4. Berg, Emil
5. Brock, Peter J.
6. Carlson, Carl W.
7. Erickson, Sam E.
8. Gunton, Jessie M.
9. Hanson, Eric
10. Holdridge, Florence E.
11. Jenso, Sven J.
12. Knudsen, A. C.
13. Lehmkuhl, Paul A.
14. Magnuson, Peter
15. Malmberg, E. J.
16. McNeil, James
17. Moeller Erwin
18. Newton, J. O.
19. Olsen, Betty
20. Olsen, Sigurd
21. Peterson, Geo.
22. Rosenfeld, Samuel S.
23. Sundberg, Stewart W.
24. Schalin, F. R.
25. Wallace, Irving
26. Wallen, Roy E.

CONTEST

The bank has pleasure in announcing a new contest for savings accounts to continue until December 15, 1916. For the purpose of this contest the employees will be divided into five companies, each under a captain, as shown on the following pages.

THREE FORMS OF CASH PRIZES are offered, viz.:

(a) To the Company gaining the highest number of points during this contest	$200
To the Company gaining second highest number	125
To the Company gaining third highest number	75
Total	$400

(b) Individual prizes for members, viz.:

FIRST PRIZE, for the highest number of points	$100
SECOND PRIZE	65
THIRD PRIZE	40
FOURTH PRIZE	35
FIFTH PRIZE	25
SIXTH PRIZE	20
SEVENTH PRIZE	15
Total	$300

(c) **IN ADDITION TO THE ABOVE PRIZES** a bonus of fifty cents will be paid on every new savings account of $10 or more brought in by employees not later than December 15.

Under this plan every employee is offered an opportunity to show his value to the bank and earn additional compensation while doing so.

HENRY S. HENSCHEN,
Cashier

October 24, 1916.

Figure 87: Here are the first two pages of a four-page card folder, "Pep Bulletin 14," which announced the organization of a new contest for getting savings accounts. Note how the companies of employees were organized.

help keep up their interest in the contests. These were dictated by one of the members of the committee and duplicate copies made. Instructions also were often given in the bulletins. In almost every bulletin the importance of handling the prospect with tact, and yet with enthusiasm, was emphasized. "Follow every tip and keep everlastingly on the job" was one of the slogans printed in the bulletins.

Campaigns of this type demonstrate conclusively the worth while results that can be accomplished by concerted effort from all the employees. Not only are deposits increased, but a strengthened spirit of loyalty and cooperation usually is created.

When a county in an agricultural section of Indiana employed a farm agent, a small national bank appointed a solicitor at a salary of $75 a month to work in conjunction with him. The solicitor traveled through the county with the agent and spoke at meetings of the farmers on general financial matters as well as on subjects related to real estate and insurance. These talks were interspersed with comments about the service offered by his bank and he attracted considerable new business.

Special efforts of this sort seldom fail to win appreciation and good will. Useful gifts extended in connection with personal appeals of this type also often help greatly. A seed tester distributed among customers and to a selected list of prospects by this same bank resulted in the opening of several substantial new accounts.

A state bank secured a large number of accounts in the manufacturing district of a city of 30,000 by personal appeals made through solicitors and combined with the distribution of miniature savings banks. More than 800 accounts, that amounted in one year to $22,000, were obtained from this campaign. The bank also furnished a benefit society of the workers

LAST CALL

The Contest will positively close at 4 o'clock, December 15.

Total Accounts to date . . . 732

Total Deposits . . . $156,176.11

The Captains say:

Captain Boese, Company "A."—"We want deeds not words. Don't wait to be pushed."

Captain Delves, Company "B."—"Yesterday's meeting gave excellent results. Keep it up, boys."

Captain Lindwall, Company "C."—"I am still bringing in good a
men will back me
next week."

Captain Nothels, Co
quitter. Accounts
them."

Captain Jarl, Com
promises made you
get them to "come

ECHOES

Did you say there were no more accounts to be had?

Nelson got twenty-three yesterday.

Thorsen is still picking 'em up at Stewart, Warner & Company.

Forty-one accounts came in after Delves' "Pep" meeting. Shows what ten-cent cigars will do.

Captain Jarl is kept very busy trying to keep his team ahead of Company "A."

Zalatoris is still the champion account-getter of Company "D."

Special: To the two men bringing in the most points from Monday, December 11, to 4 o'clock, December 15, the bank will give an extra week's vacation, to be taken after February 1, 1917.

One thousand accounts should result from this contest.

We understand the captains are planning to omit "the blanks" when the prize money is distributed. That seems fair enough.

Who wants to be a blank anyway?

Figure 88: The front and back pages of the last bulletin issued before a contest for new accounts closed are shown above. The inside pages of the bulletin contained the rules and the names and number of points of contestants.

in one plant with an entire set of books and records for handling its business affairs, and thus won many new savers.

Sixty per cent of the 9,000 savings accounts representing $1,300,000 in deposits, in a large St. Louis bank is attributed to a campaign of this type. The savings department opened during the first month of a year, and was not featured in advertising copy until July, when a contract was made for the distribution of 30,000 small oval savings banks, costing approximately 15 cents each.

Solicitors employed by the company furnishing the miniature banks canvassed the factories, stores, offices, and residences in certain districts. They gave out the miniature banks at 10 cents each, which represented their compensation. In each bank was a slug which redeemed the prospect's dime when presented for opening an account of $1 or more.

A PERSONAL APPEAL THAT GAINED 375 NEW ACCOUNTS FROM A SINGLE FACTORY

Two women solicitors, one working in the industrial section and the other in the business district, obtain an average of from 1,500 to 2,000 savings accounts each year for an Indianapolis bank. In most cases the appeals are made to the individual, although at times talks are made to groups. As a rule these solicitors have had the encouragement and support of employers, but occasionally they meet obstacles which require tact and persistency to overcome. One factory manager refused to permit one of these two solicitors to enter his plant. He offered a number of excuses, saying that the time of the men was too valuable, that the solicitor might get hurt walking around the machinery, and so on.

But the solicitor persisted and finally gained the consent of the owner to see the employees by agreeing

THE NATIONAL BANK OF COMMERCE IN ST. LOUIS

(A Commercial Bank of National Influence)

To Members of the Fifty-Million-Dollar Club:

1. The contest will start at nine o'clock on the morning of November 1, 1915, and end with the close of business on April 29, 1916. The prizes will be awarded on or about the first of August.

2. BUSINESS TO BE SECURED. Checking accounts over $200.00, initial and average balance. (The latter will be determined by figures for the first three months after the account has been introduced.) Certificates of Deposit over $100.00 with a duration of three months or more.

3. SCORING. Each new depositor to count 100 points.
Average balance for three months over the specified minimum, to count for each $100.00 excess 5 points.
Certificates of Deposit under $100.00 and over $50.00 (which is the bank's minimum) to count 25 points.

Accounts secured by our regular solicitors and traveling representatives will count one quarter of the ordinary credits as above stated.

4. CONTESTANTS. All employees, except officers, divided into the following classes: Class A, Class B, and Class C.

5. PRIZES Class A, $125.00
Class B, $100.00
Class C, $ 75.00

If any winner of second place in any class, shall be within 500 points of the winner of first place, said second man shall receive a prize of one-half the first prize for his class. Otherwise, no second prizes shall be awarded.

6. CHANGE TO A HIGHER CLASS. Any contestant may transfer from a lower to a higher class, at any time before the prizes are awarded.

7. GOVERNMENT. This contest shall be in charge of the undersigned, whose judgment shall be final in all matters of credit, and in all questions not covered by the foregoing rules. The Committee will be glad to furnish any further information.

Mr. Lonsdale
Mr. Chandler
Mr. Bixby

"The 26-50" official publication of the Club will appear each Monday during the life of this contest. A copy will be given to every member. Suggestions will be welcomed by the Committee.

Figure 89: Contestants for new business in one St. Louis bank were kept posted on rules and results with multigraph bulletins like the one shown above. These bulletins were issued frequently and helped greatly in maintaining enthusiasm.

to talk to them at the noon hour. Within a week she had gained the good will of the management and the employees as well, and within a few months the factory produced 375 new accounts. The solicitor now collects savings regularly at this factory. The men know when she is coming and are always ready with the sums they wish to deposit.

The vice-president of a bank situated in the heart of an industrial section of a large middle western city makes regular visits to the various plants, after making arrangements with employers, and talks to large groups of workers. Following his talks he passes out circulars about saving and savings, and signature cards upon which the employees may signify what amount they wish to deposit periodically. The cards are handed to the cashier or paymaster of the company, who reports the new customers and the amounts each will deposit in the bank.

In many small cities manufacturers often use their personal influence to get their employees to save—usually mentioning the bank with which the concern does business. This practice resulted in 250 savings accounts for a national bank in an Illinois city of 6,000. The president of a manufacturing concern gathered all his employees in the plant's yard one noon, addressed them on the subject of thrift, and expressed a desire to see them all save a part of their earnings. Incidentally he mentioned the name of the local First National Bank as a safe bank. Within 60 days more than half of the 300 workers opened accounts, others followed later, and some induced members of their families to take out pass books.

By establishing an office in a large factory two miles from the bank, officers of a trust and savings bank in an industrial section of a western city in three years obtained savings deposits amounting to $40,000. On the first and sixteenth of every month, the pay days

for the office force of this factory—two tellers from the bank go to the factory and conduct "a regular banking business" from 3:45 until 5 p. m. They are provided with an office which has two counter windows, and special lockers and drawers for the books, ledgers, stationery, and so forth. Every Wednesday—the pay day of the mechanical department—the same hours are maintained. The factory does not request its employees to deposit with this bank, but nearly all of them have been attracted to this bank by the special services and conveniences offered.

An Illinois trust company successfully promoted "savings and loan" associations for five years without using advertising space. The plan grew until it now operates in 75 commercial lines and embraces 15,000 persons who contribute regularly to the funds of their various organizations, and who represent one third of the entire list of savings depositors on the trust company's books. Deposits of many of the larger clubs reach from $30,000 to $40,000 annually, and a large percentage of this business often is transferred to regular savings accounts.

HOW SAVINGS AND LOAN ASSOCIATION GAVE BANK SOLICITORS STRONG SALES ARGUMENT

Here is the procedure followed in starting this "savings and loan" plan in a company. After getting the consent of the management by personal interview, announcements of the plan are made on circulars, which are distributed among the employees. This step is followed by a campaign of personal solicitation by two representatives of the trust company which includes talks to department heads, to individual employees, and to groups. Subscription forms on which to indicate the number of shares desired are then distributed.

Three hundred members, for instance, were enrolled

from one wholesale grocery company the first year, and this number was increased to 375 within four years. The approximate aggregate deposits for this organization for each of the four years were as follows: First year, $30,700; second, $36,000; third, $36,000; fourth, $41,000; fifth year (estimated), $41,000.

The methods of conducting this plan vary, of course, in different manufacturing plants and companies to conform to the administrative policies of concerns, but fundamentally they are the same. The object is naturally to create an employees' savings fund and to permit members to borrow money from it. Shares at 25 cents each a week, with a maximum of 20 to a member, are issued.

In the wholesale grocery concern referred to, payments are made each Tuesday between 12 and 2 o'clock. Delinquent members are fined 1 cent a week until his or her subscription is paid. If a member is in arrears for a period of four weeks a charge of 4 cents, multiplied by the number of shares the member holds, is made, the net amount with interest and profit deducted is paid to the offending member, who then is dropped from the association.

Application to the secretary is necessary in securing loans from the fund. Loans for $25 or less usually are made without collateral, depending upon the decision of the executive committee, which passes upon all loans. On loans over $25 security usually is required. A record of the loans is kept in the ledger also used for the record of payments. In case all the loans are not paid in full at the end of the fiscal year, a sufficient amount is borrowed from the trust company to enable the association to liquidate its stock.

The assessments are made 52 weeks in each year, contrary to the original plan of the trust company to provide two weeks each year for liquidation only. In 1916 a dividend of 6% was declared.

The directors of the association appoint two members each year to audit the books. The stationery is purchased at cost price from the company and all printing is done on the company's press. Most of the stationery is used for notices of liquidation which usually are issued to members 30 days prior to the end of the fiscal year, and for announcing the date of the annual meeting, the date of the new fiscal year and for other announcements.

The rules and regulations are reprinted each year in small pamphlets. These pamphlets also contain the annual statement of finances, including resources and expenditures. In a recent year the resources were $42,312.56 and the expenditures $41,294.92, leaving a net profit of $1,017.64, which was distributed proportionately among the shareholders.

"The plan has been very helpful to all the employees who went into it," said one of the officers of the wholesale company. "Some of them are buying homes with the money they put into the fund. To many relief has been given in time of sickness, and others have been enabled to meet various emergency demands without difficulty. Aside from that, the plan also has had an uplifting effect on the entire organization."

In a way he sums up one of the sources of keen stimulation to be found in work like that described in this chapter—helping people to save is helping them in all ways. Putting 10 or 10,000 people on the road to saving is no small service to the community.

CHAPTER XIX

GETTING TEAM PLAY INTO YOUR SERVICE

IN an effort to learn what features of banking service are most appreciated, a bank in the East sent out 1,000 letters of inquiry to its customers, enclosing addressed, stamped postal cards for replies. Of the 620 that answered, 434, or 70%, replied that courteous treatment at the windows impressed them most.

The other replies differed widely. Several customers liked the writing booths in the safety deposit department best, some preferred the convenience afforded by the officers' desks being located near the entrance, while others indicated their appreciation of advice from officers. Many women customers laid stress on the conveniences in the ladies' rest room, although the majority commended the courtesy of the tellers and other members of the staff.

The result of this inquiry reflected the spirit of cooperation which the president of this bank has endeavored to develop among his employees. He issues bulletins frequently (Figure 90), pointing out the importance of being courteous to customers and loyal at all times to the organization. Occasionally meetings are held to discuss ways of improving the service and when a valuable suggestion is made it is brought into play immediately in holding customers and in reaching out for new business.

Whether banks are large or small or located in city or country, they must have accurate knowledge of the customer's needs if they are to be successful in in-

creasing business, investigation indicates. Every officer and lesser employee who comes into contact with the public should be made to feel that he is an important member of the new-business department. One uninterested and unsympathetic teller or clerk often will undo the good work of a half dozen employees of the opposite type.

Every six months a small savings bank in an industrial section of a large middle western city offers a cash prize of $50 to the teller obtaining the largest number of new accounts. No outside work is done, the employees relying upon personal effort extended within the bank. At least once the first prize has been awarded to the teller at the window farthest from the entrance, thus demonstrating that service is often desired more than convenience of location by customers.

Fourteen tellers in one large bank meet a night each week to discuss methods for building and holding the business of the bank. During the week each has spared a moment of his time to note suggestions from depositors as well as information learned about the bank's customers. These notes may be merely remarks made by depositors about a dislike for something, the success of some special deal, or a loss sustained in some business transaction.

As each report is read a man from the credit department takes notes which may aid in determining the depositor's credit. After the last report is made the reading is repeated, and as each customer's name is mentioned he is made the subject of a general discussion. The next morning a typewritten copy of the minutes of the meeting is placed on the cashier's desk and the representative of the credit department submits his suggestions. At the next meeting of the tellers the minutes are read again and then placed on file. In this way the tellers often learn how to cultivate the acquaintance of depositors, to call them by name, and,

Be Accurate!

BE accurate in handling the figures that represent our dealings with customers. Be accurate in our thought, our dress, our actions. Keep our desks orderly—this is accuracy. Keep the corridors and locker rooms inspection-proof. This is accuracy. One cluttered counter, one carelessly discarded cost affects the total accuracy column.

Be Human!

BE human in our daily contact with our bank's customers, with our fellow employees. A smile costs nothing and yields big dividends. A cheerful word, warmly spoken, is an asset. Sunshine and warmth produce greater harvests than clouds and ice, whether it be farming or banking.

Be accurate! Be human!

Figure 90: Two inside pages of a small folder entitled "Service Code" are shown here. Folders like this are distributed often to employees to emphasize the importance of proper service to depositors.

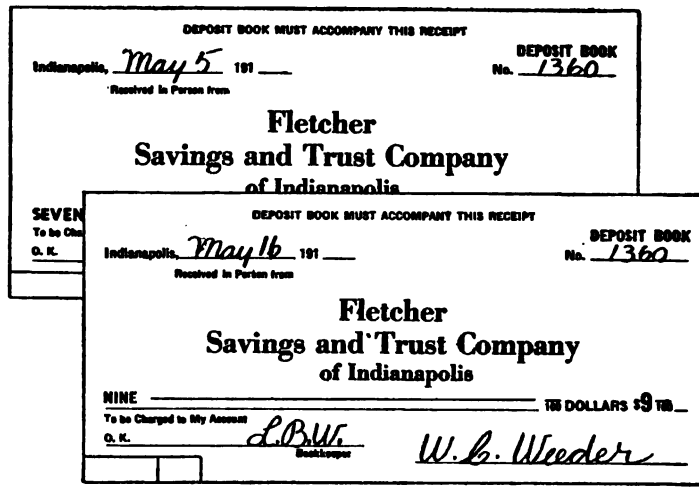


Figure 91: Check forms like these, made out in various denominations, facilitate the work of the savings department of an Indiana bank and provide a service which is much appreciated.

through this knowledge, to provide more satisfactory service.

In smaller banks the president or the cashier usually has intimate knowledge of the depositors, knows their names and the size of their families, their business connections, and their financial standing. But this information often is of little value unless it is utilized in giving more effective service. Realizing this, an Indiana banker in a town of 7,000 continually keeps after his employees to meet the needs of customers.

HOW A WESTERN BANKER MAKES SURE HIS CUSTOMERS GET PROMPT AND CAREFUL SERVICE

This banker's desk is close to the entrance. When a customer comes in he is able to see whether or not prompt service is given. The juvenile depositor gets just as much attention as the commercial depositor and neither is compelled to wait in the lobby wondering where and when they are to be served.

"I have six employees in the bank—all young men," says this banker, "and all of them have a fair knowledge of how each department is run. By a system of substitution the boys have become familiar with the requirements of all the depositors. For instance, one man may be in the note department this month and in the savings department the next month. Thus, by shifting them around, they gain a broader knowledge of the work.

Meetings of the employees are held twice a month, sometimes at the bank and at other times at the homes of the president or the directors, who usually give dinners, which are followed by general discussions of the bank's business.

At these meetings, much interesting and helpful information often is brought out. Not long ago, for example, one of the younger clerks suggested that by constructing a sort of mezzanine floor at the rear of the

bank, on which the bookkeepers could work, the main lobby space would be increased to advantage. This improvement was made at a cost of about $800. The bookkeepers are no longer in sight of the customers, although they are within easy reach of the tellers. The noise of the machines in the main banking room was reduced and the officers found it easier to give added strength to the bank's service policy.

The arrangement of the interior of the bank often has a great deal to do with making the service attractive, many bankers agree. A few years ago two young bankers who were seeking a location for a bank, selected a small and prosperous Illinois town. There were three other banks in the city, one located in the middle of the block on the main street and the others on side streets. None of these banks had modern equipment.

"We decided that the people of this town would appreciate modern banking service," said one of these two men. "We picked out a corner on the main street, one of the busiest spots in the town. To get this corner we had to buy the lease of a cigar store. We paid a premium of $750 for it. After getting the location, we called in an architect.

"We told him we wanted, first of all, a comfortable and convenient interior. We wanted the president's office right in front, where he could greet everyone who came into the bank. Adjoining the president's office was the cashier's desk, separated from the lobby by a low marble counter only, thus making it easy for customers to talk over their business problems. Along one side of the room we laid out three cages and at the end of the cages, away from the street, we provided space for the bookkeepers. In the middle of the lobby we placed a cushioned seat big enough for four persons. In the rear of the lobby we had two private rooms, one for the women and one

for the men, where they could go to rest or to transact their business more quietly and comfortably.

"The wainscoting of marble and the cages of bronze were set off with a decorative scheme which cost about $3,500. The entrance was moved from the center of the building to the corner."

The new bank was not long in attracting the attention of a number of business and professional men of the town, largely on the strength of its appearance. Then after completing the organization, a vigorous advertising campaign was started with all its appeals designed to show how the bank's connections and its mechanical facilities enabled it to give good service. Visitors were cordially received by the officers, who inquired about their banking connections and the service that appealed most to them, whether in the savings, commercial, or other departments. In this way they obtained knowledge of just what the people wanted and developed their service accordingly.

Within a year the new bank had $850,000 in deposits. In two years this sum was nearly doubled. In the meantime the three other banks, realizing the inroads made by this competition, made extensive improvements in their bank interior arrangements.

WHY ADVERTISING OFTEN IS OF LITTLE VALUE UNLESS BACKED BY REAL SERVICE

A bank must be careful to see that its advertising is backed up by effective service, investigation indicates. The arrangement of the banking room often has a great deal to do with winning the depositor who has been attracted by the advertising. Loss of depositors' time and the inconvenience usually caused by forcing them to make deposits in one part of the bank and withdrawals in another part has been eliminated by a western bank. Each paying teller's cage is flanked on both sides by receiving tellers, each handling one

half of the paying teller's accounts. In the rear of these cages a group of bookkeepers and clerks handle the same accounts, thus concentrating the work in units.

In other words, each group of three cages, combined with the bookkeepers and statement clerks, forms a little bank in itself.

By this arrangement a customer can make a deposit at one window and cash checks at another only a few feet away. If the paying teller is in doubt about any check presented he can send his assistant to the bookkeeper directly at the back of the cage, and learn the balance to the credit of that particular account. He can also learn from the receiving teller on his right or left, as the case may be, if a deposit for the credit of an account has been made that day. To further facilitate matters each paying teller has authority to certify checks against accounts in his division.

To provide the teller with sufficient service facilities and yet avoid unnecessary expense, two wickets are placed in each cage. The cages are of the usual size, and extra space is obtained by cutting two feet from the side counters at the front of the cage, thus permitting the tellers to stand in front of the wickets. Each teller has an assistant. The assistant usually spends his time writing up the cash sheet, but whenever the teller sees more than three or four customers in line the spare wicket is opened and handled by the assistant. This arrangement has resulted in greatly improved service.

This bank did not stop with improving its method of receiving and paying. The large lobby space also offered opportunities for improvement. Customers might be annoyed and confused if they had to do much walking to transact their business. The "Island," a space enclosed behind a marble counter in the center of the lobby, was therefore established. The

NAME OF DEPOSITOR

TEMPORARY IDENTIFICATION CARD
I HEREBY AGREE TO
THE RULES AND REGULATIONS OF

Fletcher Savings and Trust Company
of Indianapolis

ADDRESS

IT IS AGREED AND UNDERSTOOD that the following signature is given ... above named depositor and that all right, title, and interest in the ... of the above named depositor.

CHECKING ACCOUNT

Fletcher Savings and Trust Company Indianapolis

SIGNATURE

I HEREBY AGREE TO
THE RULES AND REGULATIONS OF

Fletcher Savings and Trust Company
of Indianapolis

No. Received of the Fletcher Savings and Trust Co., of Indianapolis, one Savings Bank which I agree to bring to the said Trust Company for deposit of contents at least every 60 days, and which I agree to return at any time, in good condition, when called for by letter sent to my address as given on this card or when closing my account, or forfeit ONE DOLLAR of my deposit account, and I hereby agree to the Rules and Regulations of said Trust Company.

SIGNATURE

CERTIFICATE

I HEREBY AGREE TO
THE RULES AND REGULATIONS OF

Fletcher Savings and Trust Company
of Indianapolis

SIGNATURE

ADDRESS
MAIL TO

PARENT
BROTHER OR
SISTER'S NAME

OCCUPATION

ADDRESS

EMPLOYED BY

INTRODUCED
IDENTIFIED BY

DATE

AGE

Figure 92: These cards have enabled one bank to keep accurate tab on new accounts and thus to provide better service. They are a vital part of a system of handling accounts which helped to gain 10,000 new depositors in 15 months.

Figure 93: Real service was rendered by an Illinois bank in a small town when it established a room for the use of its customers. Many took advantage of the opportunity, as the photograph indicates.

Figure 94: The "Island" plan, adopted by one of the largest banks in the country as a genuine service to its customers, is shown above. It has served to simplify the transactions of all departments.

cashier, the assistant cashiers and their assistants sit here and customers can reach them readily from any point in the lobby.

An Indianapolis bank has placed a marble counter in the form of a hollow square in the center of the main lobby for use in opening savings accounts. The department inside the square also serves as a general information bureau. It is in charge of a woman, who has developed an extensive acquaintance.

HERE IS A SERVICE PLAN THAT HAS WON CUSTOMERS FOR AN INDIANA BANK

She instructs new customers, furnishes deposit slips, signature cards, and so forth, which are kept conveniently in pigeonholes under the counter. She also hands out special check forms used in drawing on savings accounts. These are issued for various small denominations, each of a different color (Figure 91). This plan has been found very successful, especially on days when a large volume of business is done in the savings department.

When a new account is opened the signature card and the deposit slip go to the receiving teller and then to the bookkeeper. A stenographer in the savings department makes duplicates and files them alphabetically. The original signature cards, of course, go to the paying teller. They are sorted and handed to the stenographer with a ledger sheet upon which she copies the names. Different forms of signature cards are used; one for checking accounts, one for regular savings accounts, one in connection with a miniature bank plan, one for a certificate of deposit, and one for a person opening an account for another (Figure 92). The cards are in different colors so as to be easily distinguished. This system helped the bank to gain 10,000 new accounts in 15 months.

The small bank seldom has large crowds to handle

and the problem of physically providing convenient service is therefore usually more simple. But because of the growing tendency toward thrift clubs and the general increase in the number of small savings depositors, additional equipment to facilitate service is often necessary.

A small savings bank in Illinois constructed a cage in the corner of the lobby near one of the two entrances, where a clerk handled all the business of a Christmas club, a vacation club, and a tax payers' club. A line at this cage window does not disturb customers at other windows and considerable time also is saved in handling the special business.

In its new building a bank in an Illinois city of 4,000 provided for a room in the rear of the counting room, and announced in the newspapers that this room was for the use of customers. The room was attractively furnished, magazines and newspapers were kept on a big table in the center, and maps and pictures were hung on the walls.

When farmers came to town they often visited the bank and took advantage of the conveniences of this room. Town customers also found it convenient.

A small Minnesota bank provided a room of this type, and in the rear of the bank built a large shed and furnished hitching facilities for the farmers. These, and like methods in many banks, have helped to give new and significant meaning to banking service.

Among larger banks competition often is keen and some attraction in addition to a simple rest room is resorted to. In many big banks complete toilet equipment has been installed. Some have put in small libraries of instructive and entertaining literature.

But in the large bank there is always a danger of encouraging extravagance unless considerable attention is given to the use that is made of its auxiliary

services. A Cleveland bank, for example, advertised its women's room in the newspapers and mentioned that stationery would be supplied free. As a result, many women who were not customers stopped at the bank on their shopping trips and made use of the rest rooms and the stationery. In a short time the cost of stationery increased to such an extent that all reference to it was eliminated from the advertising.

In this bank, as in any bank, the personal element is a powerful factor in developing service that really serves. When the new customer comes into the bank, a pleasant word from one of the officers often helps to emphasize the service.

HOW PERSONAL SERVICE SECURED A PROFITABLE ACCOUNT FOR ONE BANK

The secretary of a trust company in the Middle West, for example, noticed a man who made as many as four trips daily to the desks provided for savings depositors. He would hurry in, busy himself with a bundle of papers for a few minutes, and then hurry out again. The secretary approached the man one morning and found that he was using the bank as an office, even writing his letters there.

He said he was making a living as a small-commission man. He kept in touch with the needs of a dozen or so retail grocers and, after buying job lots of merchandise, sold them to the grocers at prices a shade under the market. Having no office, he used the bank in which to figure his margins and keep track of his business. For a long time it was hard to make bare living expenses, he said.

The secretary told him that he was welcome to use the bank and invited him to open an account. For six months he made small deposits at intervals. When his account reached $150 the teller asked him if he would not like to open a checking account. He was

glad to do this and within a year was carrying a balance of considerably more than $500, and adding to it every month.

There are many other instances that indicate how the banker's assistance and advice has helped both depositors and bank. When cement was first discovered in eastern Pennsylvania many of the farmers sold their farms to promoters at prices ranging from $200 to $500 an acre. There were a few farmers, however, who would not sell. The cement promoters were anxious to obtain these farms and offered as high as $800 an acre for them. Many of these farmers had about decided to sell when one suggested that they go to a certain banker and get his advice. The banker had reliable information about the proposition and he advised them to hold on until they could get at least $2,500 an acre. They held on. A year later they received $2,800 an acre and, of course, were glad to do business with the banker whose advice had helped to enrich them.

The commercial depositor usually is familiar with the bank's ordinary service. To gain his special attention and interest it is often necessary to offer a concrete and helpful plan of some kind. Investigation showed that many banks, recognizing the demand for more accurate cost finding and keeping among merchants and manufacturers, have established separate departments from which business men can secure first class assistance in auditing their books or determining their costs. Upon request, these banks will send their auditors to a business establishment and then charge only a nominal fee for a complete and often helpful audit of their books.

A middle western bank conducted a plan of this sort on a broad scale. It advertised the service in the newspapers and by personal letters to the business men of the city.

Plans like this have been used effectively by other banks to impress upon commercial depositors the broader meaning of bank service. Not long ago a national bank in Ohio advertised in the newspapers that it would like to assist retail merchants to solve their business problems. One of the advertisements read:

> ARE YOU MAKING A PROFIT?
>
> We have recently installed a PUBLIC ACCOUNTING DEPARTMENT for the benefit of our patrons. This department is effectively equipped to handle accounting problems. The men in charge are thoroughly conversant with business requirements in the various industries and are prepared to assist in solving perplexing business problems of any nature. This is at the disposal of any of our customers who believe that they will be able to increase their profits or business efficiency through the advice and assistance of expert accountants and financial advisers.
>
> If you have business problems that defy solution we may be able to suggest the proper course to pursue. If you are a manufacturer who does not know whether a profit is being made on the various articles manufactured, we may be able to tell you just how to proceed to get this information.
>
> If you are a retail merchant and desire to install a cost-accounting system, we will gladly assist you.
>
> These are merely a few suggestions. Why not arrange for a consultation at once?

The bank secured a list of retailers' names and then checked up the list with the various wholesale houses, all of which entered heartily into the plan. After the newspaper advertisements appeared, a personal letter was sent to the retailers asking them to indicate if they could use the service free of charge. A return postal card was enclosed. The letter also explained that the bank was eager to help the city's merchants and that it would give advice on how to determine costs, how to figure inventories, how to buy, how to study the markets, and on effective selling methods.

Since the bank had the support of the wholesale houses it was comparatively easy to secure definite and helpful information for the retailers. In addition the bank bought a number of the latest books dealing with modern merchandising methods for reference purposes.

"Within 30 days we received replies that they were interested from more than 300 retailers," says the president of this bank. "About 200 of the writers soon came in to inquire about the plan. We were careful not to tell them to do this way or that way, but we showed them how other merchants were making bigger profits by a simple classification of their records that would reveal conditions at a glance. In other words we wished to help them, but we did not want them to rely entirely upon us for success."

Within six months after this campaign of education and service was started about 100 new commercial accounts amounting to about $45,000 were secured. The plan cost about $1,200.

AN EDUCATIONAL CAMPAIGN THAT DEVELOPED $15,000 IN NEW BUSINESS

A New York state bank which has deposits of $2,500,000 engaged a lecturer to give a series of talks to business men. All of these talks were illustrated on a black board. Invitations to talks in the afternoons were issued only to commercial patrons. The talk was advertised in the newspapers and by handbills distributed in the business district. Tickets were handed out upon application at the bank and in this way valuable personal contact with prospects was established.

In the evening the lecturer talked on subjects of broader interest and a general invitation was issued, but tickets of admission were only obtainable at the bank.

"Our main purpose in these talks was to arouse

business men to the necessity for better business methods," said an officer of the bank. "We did not attempt to make them the direct basis of an appeal for increased business, although not long after the lectures were given we secured about $15,000 in new business which we felt was due entirely to these talks. One man, a coal dealer, opened an account of $2,000, explaining that the lectures gave him suggestions that would help him to make more money.

"The entire expense of this campaign was less than $250, most of which went to the lecturer. There were so many expressions of approval and good will from the business community that we were fully repaid and we intend to repeat the plan."

The value of life insurance underlaid a service campaign that developed $200,000 in new business for a St. Louis trust company within a year. The bank did not attempt to sell life insurance, but sought to show that life insurance is a service that every individual requires (Figure 95). It also offered to try to answer any questions about how and when to buy insurance.

Shortly after the plan was started, a life insurance company in New Jersey changed its by-laws in order to take its St. Louis deposit out of a national bank and transfer it to this trust company, which is a state institution. This account alone amounted to $30,000.

HOW COOPERATION WITH LIFE INSURANCE COMPANIES INCREASED DEPOSITS

A life insurance agency in Pittsburgh had 8,000 copies of this company's plan printed in booklet form and distributed to banks throughout the country. Seven of the biggest insurance companies in the United States opened new accounts in the St. Louis bank.

An aged couple who had $8,000 on deposit with this trust company had steadily resisted efforts to sell them a policy. When they saw the advertising on life

The First Premium is the Hardest to Pay

When the Life Insurance Man wants to talk to you—give him a chance. He knows some things about you and the commercial value of your life that you don't know yourself.

He can tell you how much you are worth to your family—not in sentiment of course—but in cold dollars and cents. He is not mercenary, he is just analytic.

Your insurance premium need not worry you if you have a Savings Account where it is accumulated by regular deposits of a small proportion of your income.

THE LIFE INSURANCE MAN IS WORKING FOR YOU
—LET HIM TELL YOU WHAT HE KNOWS

St. Louis Union Bank, Fourth and Locust

Figure 95: One St. Louis bank gained wide attention by advertisements showing the value of insurance. Displays like the one shown featured an intensive newspaper campaign.

Young Man—Your First Saving

You young men, just out of high school or college, starting a business or professional career, don't have to be advised about the necessity of saving your money. You know that already.

But we want to suggest that you save for some definite purpose, always. And we further suggest that your first object in saving be the initial premium on a life insurance policy.

A reasonable proportion of your income set aside regularly will soon amount to the sum necessary for the first premium, and it will suggest the most systematic way of meeting future premiums on time.

THE LIFE INSURANCE MAN IS WORKING FOR YOU
—LET HIM TELL YOU WHAT HE KNOWS

St. Louis Union Bank, Fourth and Locust

Figure 96: Here is another strong insurance display which helped in developing a large amount of business in both the commercial and savings departments.

insurance they called at the bank and the officers explained that it had no insurance to sell, but told them how a policy might prove beneficial. Since the bank had endorsed life insurance the old couple felt favorably toward it, and soon took out a policy! The company which wrote the policy opened an account with the bank.

A Missouri agent of a large eastern life insurance company wrote to the bank and said that the bank's advertising had helped him to close six policies. He opened an account of $3,000.

The extension of business hours is a service that is almost always appreciated, many bankers have found. In some payroll towns investigation showed that banks keep open for an hour on two nights a week to permit working men and women to cash their checks or deposit savings. One banker in an agricultural town in Iowa turns the clock ahead one hour on Wednesdays and Saturdays, to take care of the business of farmers.

A Pennsylvania bank secured 500 new accounts within three months after extending its business hours to 10 p. m., the opening hour being 9 a. m. All these new accounts were opened after the customary banking hours. A number of them were taken from other banks that kept open only in the daytime, but many were from individuals who previously had not carried a bank account.

One evening a man entered the bank and asked to deposit $4,000 in bonds for the night. The bonds were taken and a receipt given, and when he called on the following day and was told that there was no charge for the service, he opened an account which grew from $1,000 to $11,000 in a short time.

While there are a great many travelers who take advantage of this night service, probably it is the greatest asset in getting business from restaurants,

stores, and small business houses in the vicinity which are open after customary banking hours. The opportunity to deposit the day's receipts in the bank rather than to leave them inadequately protected is appreciated.

The banker today realizes that his success is not an element apart from the success of the other business men in the community. In fact, the development of the bank almost always is entirely dependent upon the financial welfare of the surrounding community. Therefore, service of the useful kind frequently described in this chapter seems to be in favor.

CHAPTER XX

HOW TO HOLD ACCOUNTS LONGER

TELLERS in a middle western state bank receive a bonus of 25 cents for each savings account that they hold by personal effort at the window. In one year this plan resulted in preventing the loss of about 600 accounts, which represented a gain of approximately 40% over the previous year, when no bonuses were paid.

When the plan was first adopted the tellers were paid 50 cents each time they were able to prevent an entire withdrawal. This was too expensive, so the plan was abandoned for a time. For several months the accounts were closely watched and it was found that the percentage of closed accounts increased from the time the bonus was stopped.

Finally the manager of the savings department called the employees together and told them of the importance of encouraging withdrawing depositors to leave at least a small amount in the bank. He then agreed to pay a bonus of 25 cents for each account that was held in this way.

As a result of this talk and resumption of the bonus plan the tellers competed with each other to establish a record, not so much to get the money as to show their loyalty. A comparison of closed accounts during the first three months with those of the three months previous to the reestablishment of the bonus revealed a decrease of more than 30% in withdrawals.

When a customer appears at a window and asks for all his money, the teller suggests that the bank would

be pleased to retain at least "a dollar or so," to avoid the necessity of the customer going through the routine when opening another account later on. By tactful inquiry the teller usually learns the reason for the withdrawal and is able to frame an effective appeal.

For example, a man with $1,200 in a savings account recently entered the bank and presented a check for the whole amount. Inquiry revealed that he was going to invest it in bonds. The teller immediately told the customer the bank would like to keep a small sum and then, as he increased it, he could buy more bonds. The customer was induced to leave $200 on deposit.

Another customer had $175 in the bank and wanted it all. He was going out of the city for a short time. The teller explained that the bank would like to continue to be of service to him, that he probably would want to open another account on his return, and that by leaving a small sum there would be no necessity for making out another book. The depositor finally withdrew only $150.

"That man knows more about the business of this bank than anyone in it," said the president of a large southern bank, pointing to one of his junior officers. "But the trouble with him is that he has no personality. He seems to be unable to rise to the modern idea of banking service. I have told my tellers that they can make more friends for the bank, or more enemies, in one day than I, in my office, can make in a month.

"For instance, a woman may be waiting at an officer's desk for some check he is about to sign. Now, there is no reason for him first to delay the signing, and, then, without getting out of his chair, simply to swing around and hand her the check. Is it not just as easy —and has not this bank the right to expect as much— for him to get up out of his chair and hand her the check, having signed it as quickly as he could? It is

courteous service in connection with details like this that keeps our customers satisfied and lessens withdrawals. Simple courtesy should never be overlooked, because it outweighs other factors in holding the depositor once his account is opened."

The head of this bank receives reports daily on all new and closed accounts. These reports are first sent to the new business department by the different tellers and changes are made accordingly in the card index and the mailing list. If, for example, the president finds that the withdrawals at window number 5 have been steady and heavier than usual, it may indicate a fault on the part of the man back of that wicket. These reports often flash danger signals that enable the president to put his finger on sharp declines, ascertain the causes and secure remedies before heavy loss is incurred.

PERHAPS THIS PLAN WILL HOLD DEPOSITORS JUST AS WELL FOR YOU

"There is much to be said in favor of the so-called psychological appeal at the teller's window," says the cashier of an Ohio bank. 'I never allow my tellers to make a direct negative suggestion to a customer. A savings depositor may come in and wish to withdraw all his money. Now the first impulse of the teller is to ask something like this: 'Don't you want to leave some of your money here?' But it is just as easy to say: 'We would like to keep your account open, and if you leave a few dollars with us you will still have a bank account that you can add to whenever you please! This appeal nearly always prevents a withdrawal of the entire amount."

To test the value of this simple plan, this banker caused his tellers to make a record of every application for a withdrawal, at the sime time admonishing them to avoid the negative appeal. In 90 days it was

found that 168 depositors had appeared to draw out all their money, but that of this number only 48 insisted on full payment after the positive appeal was made by the teller.

After each request was made for an entire withdrawal, and also after all the names were listed, the data was sent to an assistant cashier who had charge of the advertising. This data furnished information showing the cause of the withdrawals, and if, for example, it appeared that a depositor was leaving the city permanently, his name was taken from the list. But if the depositor merely wanted money to tide him over illness or to provide funds for a vacation, or for like reasons, this was noted on a card and transferred to the follow-up index. In 30 days a letter was sent out inviting the customer to renew regular depositing. If this letter did not bring a response, another followed in 30 days, and, finally, if no attention resulted a third tactful letter was sent out about 30 days later in which the depositor was invited to call at the bank. If he came one of the officers made a strong personal appeal to him to renew regular depositing.

Ordinarily this bank is not bothered with the problem of how to prevent the loss of commercial accounts. But if there is a possibility of losing a good commercial account the president or the cashier makes it a point to investigate individually and to attempt to hold the account by personal appeal.

The instances already cited indicate that the prevention of withdrawals logically should center principally in the savings department. The ordinary savings depositor seldom seeks credit accommodation, as does the commercial depositor, and the risk to the bank is therefore less. It is evident, therefore, that it is desirable to exert every possible effort to hold the savings account and to make it grow.

Bankers estimate that it costs from 12 to 21 cents

REQUEST FOR SPECIAL STATEMENT No. 947

W. A. Wash Company

requests a special statement showing balance at the close of business

May 2, 1917 including deposit of $ 125.00

Please have same ready at 10 o'clock on May 3, 1917.

Received by

Clifford Wayne

O. K. 9:30 May 3, 1917.
O.M.

on May 3, 1917.

Figure 97: One bank form which means real service to customers is shown here. It is greatly appreciated and has cemented good will. Note the space for marking the exact time the statement must be ready.

Lamson Trust Company

10-17

Your pass-book has been balanced and statement is ready for you.

Respectfully,

Chas. Edw. Snow

TREASURER

Figure 98: Prompt notification to customers that their statements are ready can be made easily by use of this form—a service which helps to hold customers and to build good will.

to open a savings account. This provides for the pass book, the sheet in the ledger or the ledger card, and the various other stationery incidentals, but does not include overhead expense.

The small savings account at the outset therefore usually represents an actual expense to the bank, and with a nickel or dime account or a dollar account it takes a long time, often more than a year of consistent saving, before the account really becomes desirable. And it frequently happens that in order to attract small savings accounts it is necessary to give away novelties, such as home banks, pocketbooks, and the like, and here again another item of expense is recorded.

"We advertised one-dollar savings accounts and gave away a small bank," says the president of a small Michigan bank. "The banks cost us 22 cents each and I figured that, in addition, the cost of opening an account was about 15 cents. In giving away the banks, however, I impressed upon the recipients that 50 cents of the initial deposit would be retained by the bank unless the miniature banks were returned. I also stipulated that regular deposits would have to be made and that withdrawals could not be made until after 90 days."

This plan brought in $16,000 in new business within two months. When the 90-day period was passed, a list of the holders of the miniature banks was checked and those whose accounts appeared to be dormant were sent this letter.

Dear Sir:

Our records show that your savings account is not growing.

When this account was started it was undoubtedly your intention to increase it and I am wondering what interfered.

It may be that, for one reason or another,

you have just been putting off making other deposits. Therefore, to keep it before you and to give you the benefit of a plan which some of our depositors are using with success, we are going to send you on the first of each month a friendly reminder of this account, hoping you will build it up, even if you deposit but $1 each month, or better still, $2 or $5.

Money accumulates rapidly in monthly or weekly deposits at 3% interest. You will want your child to have every possible chance when grown up and perhaps you can recollect a time when just such a little sum in the bank would have helped you to get the thing you wanted most.

Will you come in some day and talk the matter over — tell us how you like the "monthly reminder" plan?

Since inactive accounts are left in banks for months, and sometimes for years, it would hardly seem necessary to provide plans to hold them. But there is always present a danger of losing the money as the result of investments that may be offered to the depositors. To meet exigencies of this type a large trust company in the Middle West writes to depositors whose accounts are inactive twice a year. The last statement of the bank is enclosed and attention is called to the figures which speak for the growth of the institution. The cost of mailing these letters is felt to be small compared to the number of accounts that are retained by reminding depositors that the bank appreciates their patronage.

Effective letters and a simple follow-up system are felt by many to be essential in holding business. But there often is a possibility of antagonizing the depositor and losing his business unless considerable tact is used in framing the letters.

Mr. Red Flight

In Account with SAMSON TRUST COMPANY

PLEASE EXAMINE AT ONCE

IF NO ERROR IS REPORTED WITHIN TEN DAYS, THE ACCOUNT WILL BE CONSIDERED CORRECT

VOUCHERS LISTED BELOW RETURNED HEREWITH

CHECKS	DATE	DEPOSITS
	Balance shown by last statement	901.39
6.00	MAR. 2	50.09
100.00	2	98.25
261.25	8	235.66
160.50	9	81.71
16.00	13	281.45
91.71	14	390.20
2.00	16	309.20
19.50	20	340.17
55.03	23	310.85
29.00	30	490.89
22.00	30	491.33
200.00	APR. 5	228.69
100.00	7	.83
995.00	10	50.25
2.84	10	50.27
70.07	10	50.31
200.00	10	50.34
1,000.00	10	50.36
8.00	10	50.39
160.00	11	269.24
1.50	14	256.70
6.00	18	191.78
2.25	21	1,014.04
11.68	23	167.17
57.04	28	268.94
20.00		
222.33		
232.52		
60.00		
45.00		
306.00		
300.00		
26.10		
466.05		
24.30		
20.00		
500.00		
200.00		
18.00		
6,015.69*		
	Total Credits	6,680.70*
	Total Debits	6,015.69
	Balance	665.01*

Figure 99: When customers call for their special statements (see Figure 97) they are ready and waiting in the form shown here. Only a few minutes are required to prepare statements and it is a service that helps to hold accounts.

This fact is illustrated by the experience of a small Iowa trust company which found that many depositors did not care to receive mail regarding their accounts. For example, one man wanted to buy his wife a Christmas present and was laying aside $30 a month without her knowledge. The letter, coming to the house, aroused her curiosity and in the end he had to tell her all about it. In another case, the bank's letter went to a depositor's business address. This depositor's partner was a director in another savings bank. In the absence of the bank's customer he opened the letter—by mistake—and promptly set to work to influence the partner to switch his account. He was successful and the bank lost a depositor.

To avoid situations of this type the president of this bank now requires the teller handling new accounts to ask each depositor where mail shall be addressed to him. A memorandum is made of this information and it is placed on cards from which direct advertising is addressed. If the customer objects to personal communications, only general advertising matter is sent to him.

Scores of banks, investigation indicates, find attractive leather novelties, or systems of the so-called "multiple check" type which enable customers to pay a lot of current bills through one check, of great value in holding accounts. A large bank in the Northwest tried out a plan among women in which a combined pass book, check book, and a small memorandum book, handsomely bound in leather, proved very popular.

Prompt compliance with the wishes of customers is perhaps the sign most indicative of effective service. It is true that in most banks earnest efforts are made to fulfil the desires of depositors, but these sometimes fail because of the lack of an organized plan.

An eastern trust company requires that all requests from customers be written out by the officer or em-

Moon, Herbert Date May 2, 1917

THIS ENVELOPE TO BE OPENED ONLY BY THE PERSON OR FIRM WHOSE NAME APPEARS ON THE ABOVE LINE.

The Safest Place

If you have valuable papers, such as life insurance policies, mortgages, notes, deeds, leases or other documents that you do not want to lose, the best place in the world to keep them is the SAFE DEPOSIT VAULT. Why take chances, when you may have absolute security? We commend our safe deposit boxes to your consideration.

SAMSON TRUST COMPANY

TRUSTS BANKING
SAFE DEPOSIT VAULTS

Hubbard, Clarence P. Date May 2, 1917

THIS ENVELOPE TO BE OPENED ONLY BY THE PERSON OR FIRM WHOSE NAME APPEARS ON THE ABOVE LINE.

Information

A bank often possesses information in regard to financial matters, the source of which is not open to the ordinary person. This bank constantly studies the business conditions of the country.

All of our information is at the disposal of our customers.

SAMSON TRUST COMPANY

TRUSTS BANKING
SAFE DEPOSIT VAULTS

Figure 100: Statements like the one shown in Figure 99 are enclosed in envelops of this sort, which, while giving tangible service, also act as advertising mediums. Thus the bank gains even more than the general good will of depositors.

ployee receiving them and then submitted to the proper department. If, for example, the W. A. Wash Company asks for a special statement, the request is written out and sent to the accounting department on a card like that shown in Figure 97. This indicates just what time the statement must be ready. Or, when a pass book is balanced, a card like that shown in Figure 98 is sent to the depositor and when he calls at the bank he receives his book and canceled checks together with a neatly typewritten statement (Figure 99), enclosed in an attractive envelop, (Figure 100), which bears a message relating to the bank's service.

When a new customer comes into an eastern bank for the first time he is handed a card on which all departments are listed. On this card he indicates the department with which he wishes to do business. If he marks the space that is provided for savings, the manager of the savings department uses the card in completing his record, and then passes it on to the new-business department. There the customer's name is transferred to a card index and the mailing list.

The account is checked from time to time, and if it shows signs of lapsing, letters and interesting advertising matter are sent to the depositor. Probably the best feature of this plan is that it permits the customer to indicate by a simple check mark precisely the business he desires to transact.

All plans of this type are only different ways for extending service. And it is upon this foundation of service that all plans must be built for preventing the loss of accounts. Show your customer you are interested in him. Give him business advice whenever he needs it. Do not show favoritism.

"Our smaller customer knows he receives the same consideration that is given to the most prosperous depositor,' says a Detroit banker. "We stand ready

to assist him in the solution of his business problems, to give him advice on real estate and insurance matters, and to manifest in many other ways that we are glad to serve him. This, after all, is the best way to hold accounts."

Perhaps he has pretty well summed up the entire question of the advertising and service sides of bank management. Surely the best way to hold accounts also should be the best way to build a business.

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